



[www.myeg.com.my](http://www.myeg.com.my)

**MY E.G. SERVICES BERHAD**

REGISTRATION No. 200001003034 (505639-K)

# 2021

## ANNUAL REPORT



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## ABOUT THIS REPORT

### INTRODUCTION

For financial year 2021 (“**FY2021**”) which ended on 31 December 2021, MY E.G. Services Berhad (“**MYEG**” or the “**Company**”) and its subsidiaries (the “**Group**”) continued to enhance its integrated reporting (“**IR**”) disclosures in line with the best practice, principles based framework of the Value Reporting Foundation (“**VRF**”).

MYEG’s FY2021 Integrated Annual Report (“**IAR**”) is guided by the following:

#### 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

The objective of the FY2021 IAR 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.

### BASIS OF PREPARATION AND MATERIALITY

In selecting relevant content for the FY2021 IAR, the Group has adopted certain materiality criteria, which is information that is pertinent to the following:

- The Group’s resources (capitals)
- The business model
- The outputs and outcomes created (financial and non-financial values)

Given the above, the FY2021 IAR has incorporated the following content elements:

CONTENT ELEMENT	DESCRIPTION
About MYEG	This section provides an overview of the organisation – general details on MYEG’s business operations, locations of business operations, services provided and other related introductory information.
Group Business Model	Details of the actual business model or business process on how MYEG provides its services to consumers. The section depicts the customer journey from start to end and how MYEG’s business model facilitates the consumption of services.
Group Business Strengths	Outlines how the aforementioned business process enables MYEG to derive specific business strengths or competitive advantages, upon which the Group can leverage to further solidify its business model. The section also illustrates the dynamic, interconnected relationship between the business process or business model with business strengths and business strategy.
Operating Environment	This section shows how MYEG continues to be well attuned to the macro-operating environment and how external trends and developments may impact the availability of capitals, internal business and value creation capabilities.
Risks and Opportunities	The assessment of external factors and its impacts on MYEG enables the development of a risk and likelihood matrix of materiality topics that can impact financial and non-financial value creation.
Outlook and Strategic Priorities	Beyond providing the overall operating landscape for FY2021, this section also outlines the key strategic priorities for MYEG going forward and describes how the Group intends to realise its future business plans.
Capital Consumption And Values Created (Output And Outcomes)	The provision of the value creation model provides a visual diagram of how resources are consumed to drive value creation.
Management Discussion and Analysis	A detailed review from the perspective of Senior Management on MYEG’s business and operational performance and the creation of financial values.
Sustainability Statement	Comprehensive yet concise disclosure of the Group’s environmental, social and governance (“ <b>ESG</b> ”) performance for FY2021.
Corporate Governance Overview Statement	Disclosures on the Group’s approach in ensuring compliance with the Malaysian Code on Corporate Governance 2021 (“ <b>MCCG</b> ”).

## APPLIED FRAMEWORKS

The FY2021 IAR report draws from / has been developed in accordance with the following reporting frameworks:

- Main Market Listing Requirements (“**MMLR**”) of Bursa Securities Malaysia 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**”)
- MCCG
- Companies Act 2016 (“**Act**”)
- Malaysia Financial Reporting Standards (“**MFRS**”)
- ISO 31000 Risk Management Standard implemented in 2013



## ABOUT THIS REPORT

(CONT'D)

### SCOPE AND BOUNDARY

Our FY2021 IAR 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

The FY2021 IAR covers the reporting period of 1 January 2021 to 31 December 2021, also known as FY2021. 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 Malaysia's 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 have not been reviewed or audited by an external auditor.

### ASSURANCE

Financial data disclosed has been audited by Crowe Malaysia PLT and based on their findings, present a true and fair view of the Group's position for FY2021.

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).

## COMPANY VISION AND MISSION

### 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 and increase our revenue growth through market and expansion, product expansion and continuous innovation.



4 Presence in COUNTRIES



MALAYSIA



PHILIPPINES



INDONESIA



BANGLADESH

2,552

Employees

A Growing, professional workforce



>900 Kiosks

To assist citizens and businesses

22-year track record

In e-government services



>100 E-centres

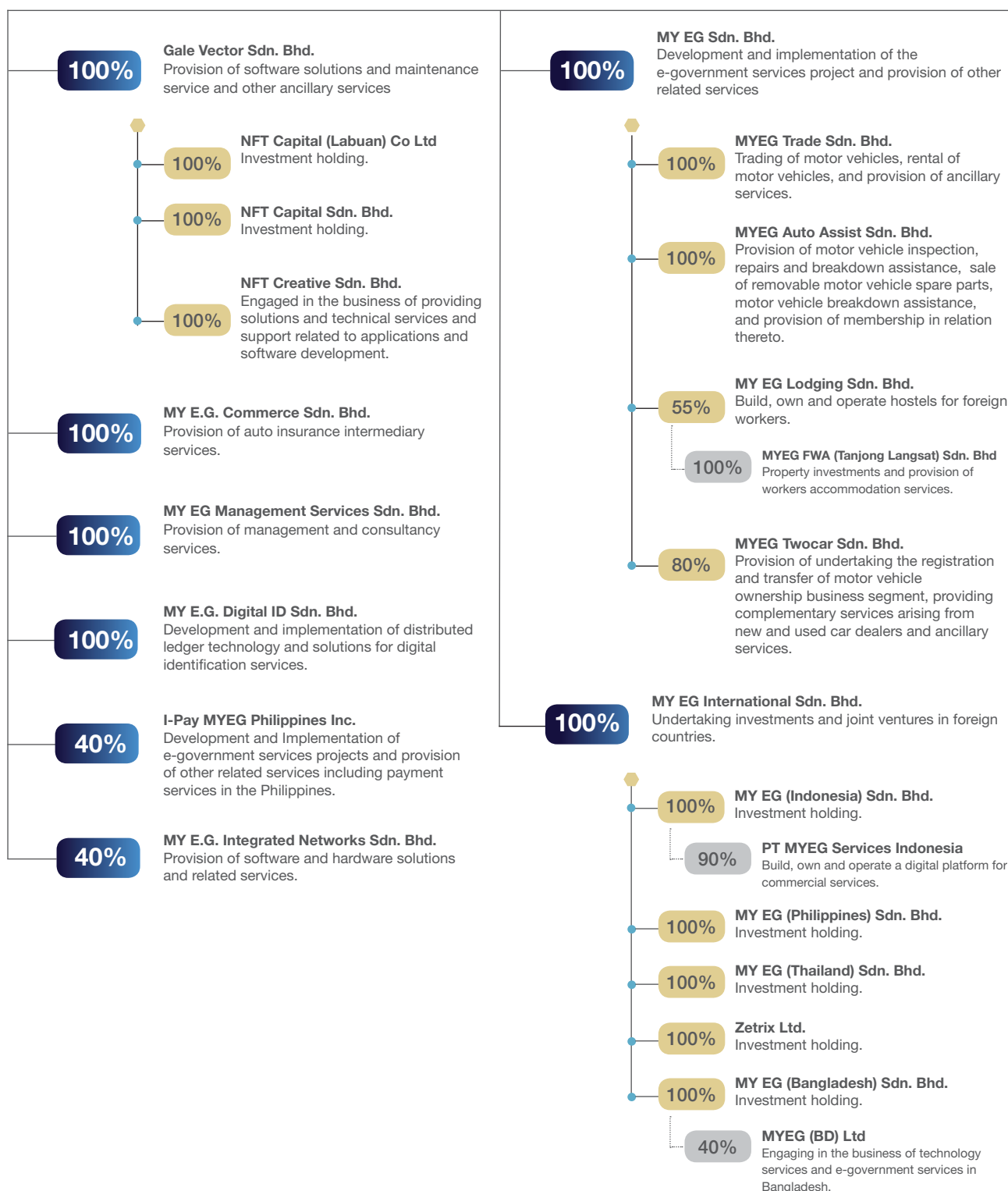
To assist citizens and businesses

# 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 moneylending services.

100%

**MYdigitalcoin Sdn. Bhd.**  
Investment holding.

100%

**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 multi-currency remittance services, payment settlement services and systems.

100%

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

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.**  
Provision of diversified media solutions and related professional services.

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 business as an information and communication technologies software solutions provider that provide software and system customisation for clients.

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.**  
Investment holding.

40%

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



# 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*

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

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

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

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

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

## 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*

**Wong Kok Chau**  
*Member*

**Mohaini Binti Mohd Yusof**  
*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  
Website : 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

**Crowe Malaysia PLT (AF 1018)**  
Level 16, Tower C, Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel : 03-2788 9999  
Fax : 03-2788 9998

## 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

## STOCK EXCHANGE LISTING

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

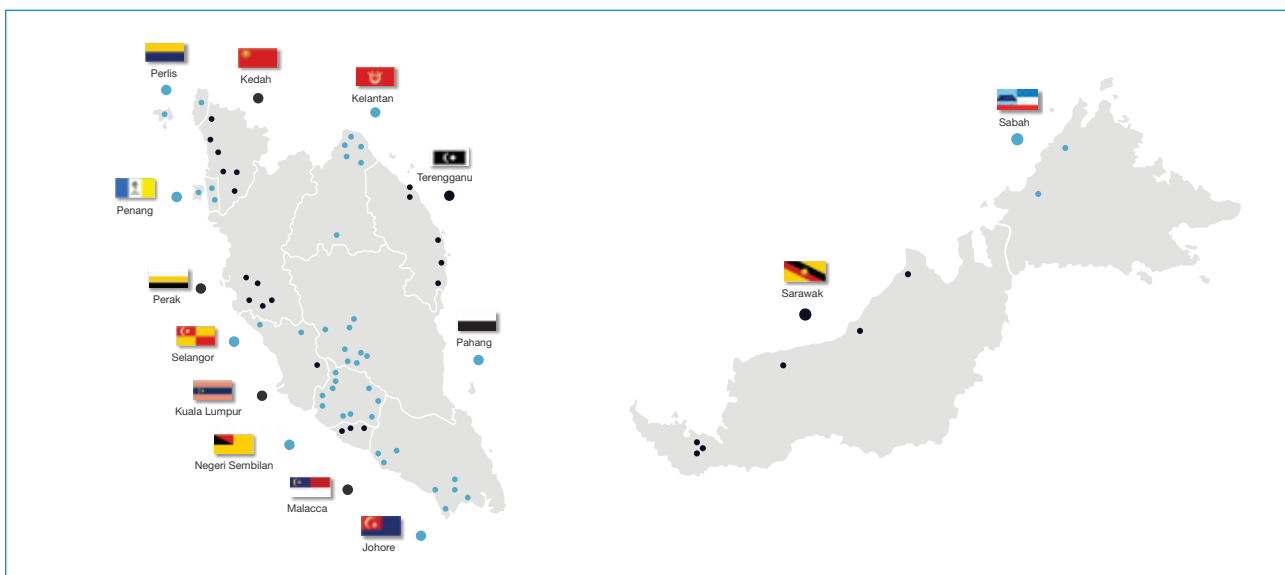
## ABOUT MYEG

The Group is Malaysia's leading digital services company, providing a wide range of government (concession) and commercial services. Beyond Malaysia, MYEG has expanded its footprint into the Philippines, Indonesia, and Bangladesh markets.

MYEG is entrusted by the Malaysian government to provide vital services on behalf of key government partners such as the Road Transport Department (“**JPJ**”), Immigration Department (“**JIM**”), the Ministry of Health (“**KKM**”) and more.

These services primarily range from facilitating online payments for various government services such as the renewal of vehicle road tax, foreign worker permits, and most recently a digital health travel pass system, to supplying complex integrated machines as well as digital infrastructure solutions and development. The Group has expanded into digital commercial services such as motor and foreign worker insurance, vehicle financing and trading as well as health screening and quarantine arrangements.

Leveraging on its business strengths and business model, MYEG has looked to support the government and the community by developing a wide range of much needed solutions towards combatting COVID-19 as well as exploring solutions in blockchain and digital assets that increase service delivery efficiency and convenience for participating communities and entities.





Notably, MYEG's entrance into the blockchain space marks the latest logical step in bridging the accessibility and affordability divide between customers and financial services, as well as various other possibilities that will lead to the development of enhanced customer experiences.

Beyond financial offerings, the entry into blockchain paves the way for new and exciting propositions that offer game-changing prospects for the development and protection of digital assets and digital identities, the transformation of conventional supply chain management and logistics, strengthening traceability systems and more.

In essence, MYEG continues to evolve and progress in tandem with its operating landscape, proactively developing solutions and services towards meeting the needs and aspirations of governments, businesses and society.

Beyond financial and business growth, MYEG defines value creation from the perspective of its stakeholders; that is the delivery of efficiency, convenience and ease of consumption of services. The COVID-19 pandemic which affected the world for almost three years has propelled MYEG to evolve its business model. The Group has progressively in FY2020 and FY2021 looked to developed solutions that keep society protected, that enable safer travel, that support the operational capability of businesses and ultimately, contribute to the prevention of COVID-19 infections. As the pandemic appears to recede and increasingly becomes endemic in society, MYEG continues to transform its role in providing the necessary safeguards to ensure society stays safer, healthier and the ongoing return to a pre-pandemic scenario continues unabated.

## ABOUT MYEG (CONT'D)

Please refer to the 'Our Services in Malaysia' and 'Our Services in International Markets' sections of this report for the full list of product offerings and solutions. MYEG operates more than 100 service centres across Malaysia providing both e-government and commercial services to consumers and businesses:

### OUR SERVICES IN MALAYSIA

- Application for replacement of MyKad inquiry and payment of compound / summons / assessment
- Assessment and payment of zakat
- Auto financing
- Auto insurance
- BELI e-Mart
- BreFence Go COVID-19 Breath Test System ("BreFence Go")
- Competent Driving Licenses ("CDL") renewal
- COVID-19 related health screenings
- CRIF Bizinsight Services
- DBKL license renewal for Premise License, Composite License and Premise Signboard
- Driver's theory test
- Foreign worker accommodation
- Foreign worker insurance
- Foreign worker recruitment & placement
- Insolvency search
- Insurance and renewal of driver's license
- MyAssist 24/7 roadside assistance
- MYDATA-SSM Services
- MYEG Lock-Earn Wallet for digital assets holdings
- MyMotor transactional portal
- MySafeTravel digital health pass for inbound travellers
- MySafeQuarantine ("MySafeQ") hotel quarantine services
- MyStay foreign worker accommodation services
- NFT Pangolin non-fungible token marketplace
- One-stop portal for managing workforce
- Online media
- Payment solution services
- Payroll management
- Personal and business financing
- Remittance
- Renewal of foreign worker's permit
- Renewal of road tax
- Renew Now, Pay Later scheme for road tax and motor insurance
- Vehicle ownership transfer
- Zetrix Layer - 1 blockchain



## INTERNATIONAL OPERATIONS AND SERVICES

### 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 retail tax monitoring
- 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

## KEY MILESTONES

### 2021

#### January

- MY E.G. Capital Sdn. Bhd. (“**MYEG Capital**”) invested in Beijing DeepScience Technology Ltd., a leading virtual live streaming, real-time animation and digital human company.

#### March

- MYEG entered into a title partnership of the inaugural Malaysia Esports Series 2021 organised jointly by My Events International and THQ Esports Club, and supported by the Ministry of Youth & Sports, Ministry of Higher Education and Ministry of Health.

#### May

- MYEG entered into a memorandum of understanding (“**MOU**”) with Singapore’s Breathonix Pte. Ltd. (“**Breathonix**”) to introduce a rapid breath test system for the screening of the COVID-19 virus in Malaysia.
- MYEG received a letter of acceptance from MIMOS Berhad for the provision of service desk and its related services for vaccine traceability system with tenure of one (1) year from 1 June 2021 to 31 May 2022 with an option to extend for a further one (1) year term upon its expiry.

For two decades since our inception, MYEG continues to be a leading provider of digital services, first in Malaysia and subsequently in overseas markets. Following are the Group’s key milestones of highlights and achievements. The full list of key milestones accomplished is available at: <https://www.myeg.com.my/investor-relations/corp-info>

#### February

- MYEG introduced an at-home, saliva-based COVID-19 testing service for the Philippines.
- MYEG commenced the use of deep throat saliva-based testing for the COVID-19 virus in Malaysia with the introduction of an at-home screening service in collaboration with BP Healthcare.
- MYEG launched MySafeQ, an online portal offering an array of hotel accommodation and amenity options available to low risk COVID-19 patients.

#### April

- MYEG e-commerce platform BELI e-mart launches same day delivery service, following the opening of two new BELI Mart physical stores in Puchong and SS15 Subang Jaya, in addition to its existing store in Damansara Perdana.

#### June

- I-Pay MYEG Philippines, Inc. (“**MYEG Philippines**”) entered into a partnership with SinoPhil Biotech, Inc. and Family Vaccine and Specialty Clinics, Inc.’s Health Direct Now initiative for the provision of a COVID-19 vaccination programme in the Philippines.
- MYEG signed a Letter of Intent (“**LOI**”) with Anhui Zhifei Biopharmaceutical Co. Ltd. to purchase 10 million doses of Zhifei’s vaccine, subject to the conditional authorisation of the vaccine by the National Pharmaceutical Regulatory Agency.

### August

- MYEG introduced decentralised finance (“**DeFi**”) services, leveraging on the power of blockchain technology to bring accessible, affordable and efficient cryptocurrency services.
- MYEG renewed its English Premier League (EPL) Broadcast Sponsorship with Astro for the new season commencing from August 2021 - May 2022.

### October

- MYEG entered into a MOU of Strategic Cooperation with the Institute of Industrial Internet and Internet of Things of the China Academy of Information and Communications Technology, to establish an international extension of China’s national blockchain network, Xinghuo Blockchain Infrastructure and Facility.

### December

- MYEG Medical entered into a Comprehensive Exclusive Distribution Agreement with Breathonix for the purpose of appointing MYEG Medical as the exclusive distributor for all market segments in Malaysia for BreFence Go for a period of 3 years commencing 22 December 2021.
- MYEG received the “Excellent Award” from China’s Ministry of Industry and Information Technology following its case presentation on its Zetrix blockchain project at a key industry event in China.

# YEAR 2021

### September

- MYEG Philippines rolled out another two major e-government services, namely the online payment of income taxes to the BIR and online payment of fees to the PEZA.
- Mydigitalcoin Sdn Bhd entered into a Shareholders’ Agreement with China’s Bubi Technologies Co Ltd, Agmo Holdings Sdn Bhd, Star Jewel Capital Inc. to regulate the relationship inter se of shareholders and other parties who will become shareholders of Zetrix Sdn. Bhd. (“**Zetrix**”)

### November

- MYEG received the approval from the JPJ to commence the Proof of Concept to set up an Automated Training and Driving Test System to assess the competencies of candidates undergoing the Drivers’ Learning Education Curriculum.
- MYEG entered into a MOU with A Tech Insure Sdn. Bhd. to provide Malaysian civil servants with a platform to purchase motor vehicle takaful coverage together with road tax renewal by way of an interest-free Shariah compliant Qard loan facility.
- MY EG Finance Technologies Sdn Bhd (“**MYEG Fin Tech**”) received a letter from the Ministry of Housing and Local Government of Malaysia for the renewal of the Moneylender’s License pursuant to the Moneylenders Act 1951 for a 2-year period effective from 15 January 2022 to 14 January 2024.
- MYEG Medical Services Sdn. Bhd. (“**MYEG Medical**”) received a letter from the Ministry of Health Malaysia allowing the deployment of BreFence Go as an alternative COVID-19 screening method at the country’s entry points including international airports.

## 2022

### March


- MYEG entered into the non-fungible token (“**NFT**”) space with the launch of NFT Pangolin ([www.nftpangolin.com](http://www.nftpangolin.com)), the global NFT marketplace that supports the issuance and trading of NFTs.

### April

- Completed the foundational development of Zetrix’s Layer - 1 blockchain functionalities and launched its mainnet

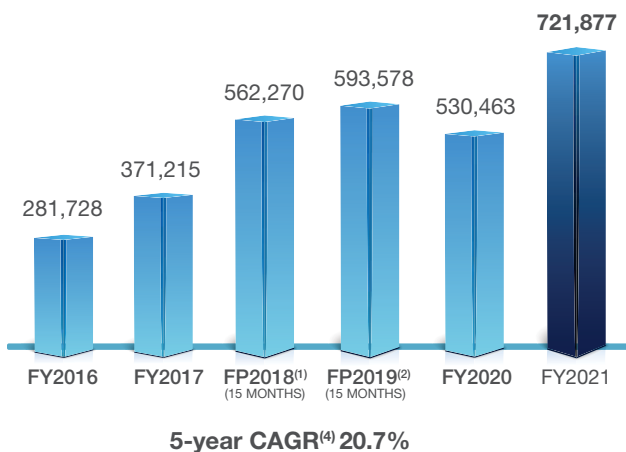
## AWARDS AND ACCOLADES

MYEG continues to be acknowledged for the creation of financial and non-financial values. In this regard, in FY2021, MYEG was selected for the following awards.

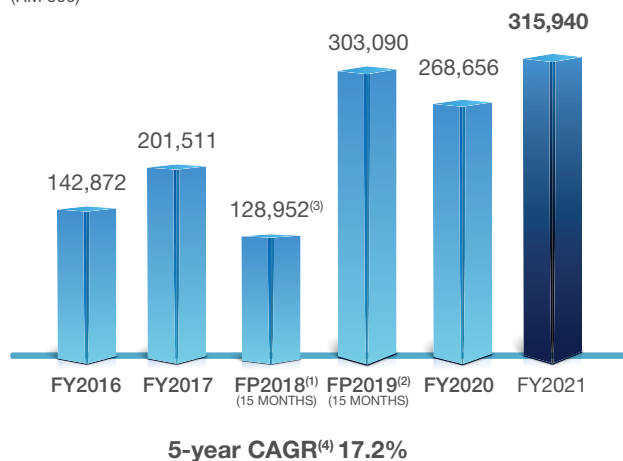
- FTSE Russell ESG Rating – Top 25% in Malaysia 
- Excellent Award from China's Ministry of Industry and Information Technology at the 10+3 Digital Economy Innovation Forum & Awards
- Asiamoney - Most Outstanding Company (Software & Internet Service Sector) Malaysia



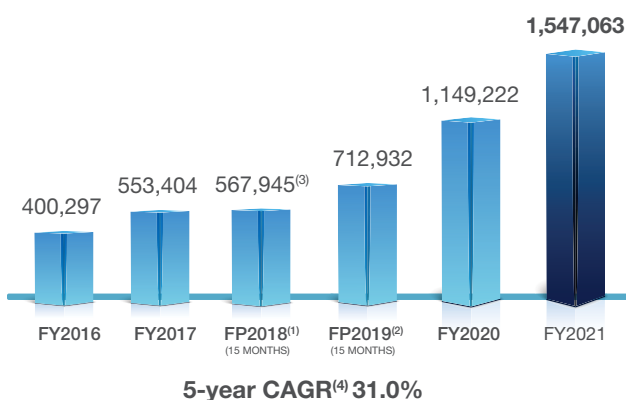
## REVENUE (RM'000)



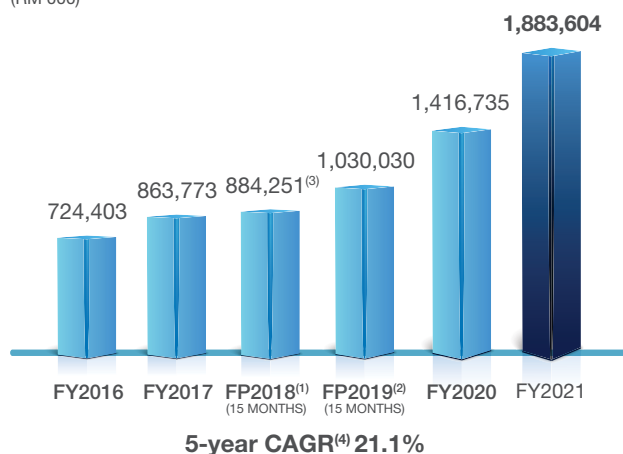
## NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



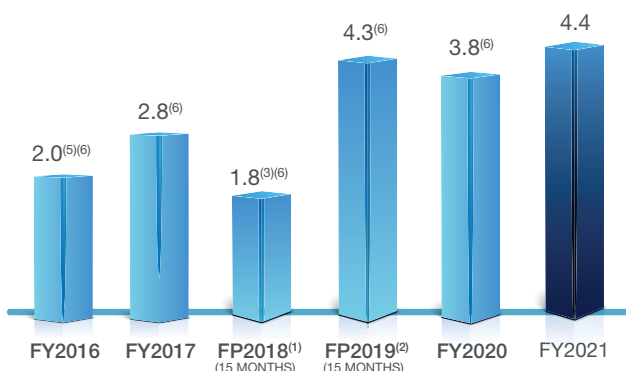
## SHAREHOLDERS' EQUITY (RM'000)



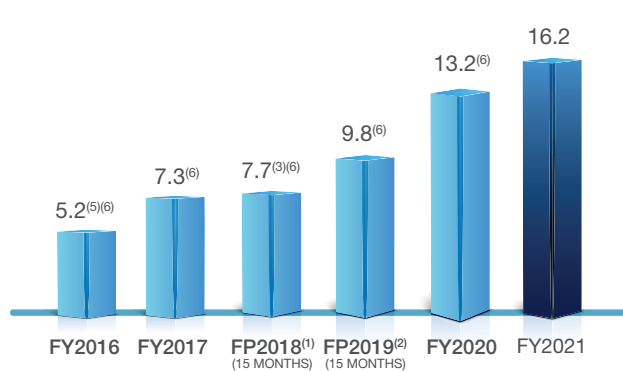
## TOTAL ASSETS (RM'000)



## 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 FY2017.
- <sup>(6)</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)

## SUMMARIZED GROUP INCOME STATEMENTS

As at 30 June/30 September/ 31 December (RM'000)	FY2016	FY2017	FP2018 <sup>(1)</sup>	FP2019 <sup>(2)</sup>	FY2020	FY2021
Revenue	281,728	371,215	562,270	593,578	530,463	721,877
EBITDA <sup>(4)</sup>	164,405	226,431	168,599 <sup>(3)</sup>	355,237	312,593	377,890
Profit Before Tax ("PBT")	143,226	201,478	128,473 <sup>(3)</sup>	306,939	268,958	320,683
Net Profit	142,519	200,048	125,970 <sup>(3)</sup>	302,156	267,194	316,705
Net Profit Attributable to Owners of the Company	142,872	201,511	128,952 <sup>(3)</sup>	303,090	268,656	315,940
Total Comprehensive Income	142,519	200,048	125,671 <sup>(3)</sup>	302,194	267,176	316,704

## SUMMARIZED GROUP BALANCE SHEETS

As at 30 June/30 September/ 31 December (RM'000)	FY2016	FY2017	FP2018 <sup>(1)</sup>	FP2019 <sup>(2)</sup>	FY2020	FY2021
<b>Total Non-Current Assets</b>	286,541	414,616	526,109 <sup>(3)</sup>	705,207	866,174	1,234,237
<b>Total Current Assets</b>	437,862	449,157	358,142 <sup>(3)</sup>	324,823	550,561	649,367
<b>TOTAL ASSETS</b>	<b>724,403</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>
Financed By:						
Share Capital	240,420	360,630	360,630	360,630	634,262	854,895
Treasury Shares	(2)	-	(52,804)	(144,743)	(61,652)	(12,364)
Other Reserves	6,700	6,700	6,401	6,439	6,421	6,420
Retained Profits	153,179	186,074	253,718 <sup>(3)</sup>	490,606	570,191	698,112
Shareholders' Equity	400,297	553,404	567,945 <sup>(3)</sup>	712,932	1,149,222	1,547,063
Minority Interests	(161)	(1,463)	(4,043)	(4,937)	(6,399)	(5,614)
<b>Total Equity</b>	<b>400,136</b>	<b>551,941</b>	<b>563,902</b>	<b>707,995</b>	<b>1,142,823</b>	<b>1,541,449</b>
<b>Total Non-Current Liabilities</b>	<b>84,681</b>	<b>116,262</b>	<b>96,960</b>	<b>138,738</b>	<b>125,124</b>	<b>101,397</b>
<b>Total Current Liabilities</b>	<b>239,586</b>	<b>195,570</b>	<b>223,389</b>	<b>183,297</b>	<b>148,788</b>	<b>240,758</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>724,403</b>	<b>863,773</b>	<b>884,251</b>	<b>1,030,030</b>	<b>1,416,735</b>	<b>1,883,604</b>

Financial Analysis	FY2016	FY2017	FP2018 <sup>(1)</sup>	FP2019 <sup>(2)</sup>	FY2020	FY2021
Revenue Growth	99.1%	31.8%	51.5%	5.6%	(10.6%) <sup>(7)</sup>	36.1%
PBT Growth	110.0%	40.7%	(36.2%)	138.9%	(12.4%) <sup>(7)</sup>	19.2%
Net Profit Growth	109.4%	40.4%	(37.0%)	139.9%	(11.6%) <sup>(7)</sup>	18.5%
EBITDA Margin	58.4%	61.0%	30.0%	59.8%	59.0%	52.3%
PBT Margin	50.8%	54.3%	22.8%	51.7%	50.7%	44.4%
Net Profit Margin	50.6%	53.8%	22.4%	50.9%	50.6%	43.9%
Return on Average Equity	42.3%	42.0%	22.6%	47.5%	29.0%	23.5%
Return on Average Total Assets	24.3%	25.2%	14.4%	31.6%	22.0%	19.1%
Net Tangible Assets Per Share (Sen)	5.2 <sup>(5)(6)</sup>	7.3 <sup>(6)</sup>	7.7 <sup>(3)(6)</sup>	9.8 <sup>(6)</sup>	13.8 <sup>(6)</sup>	16.2
Net Earnings Per Share (Sen)	2.0 <sup>(5)(6)</sup>	2.8 <sup>(6)</sup>	1.8 <sup>(3)(6)</sup>	4.3 <sup>(6)</sup>	3.8 <sup>(6)</sup>	4.4

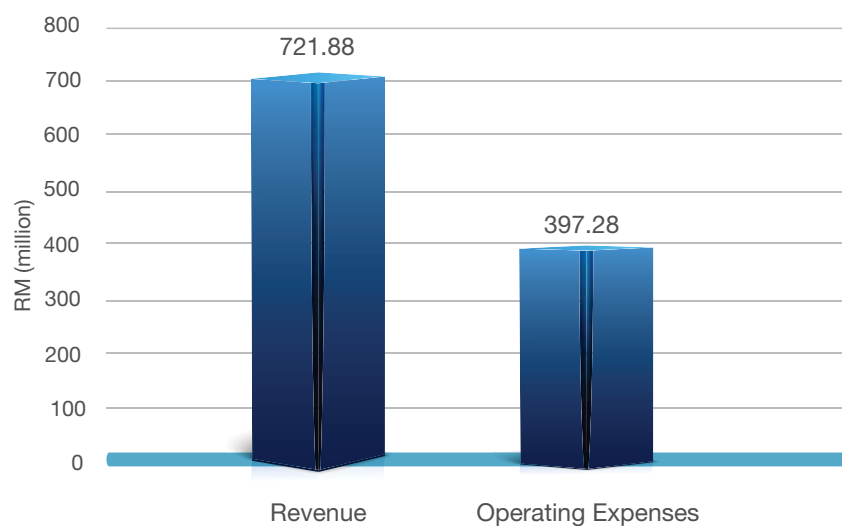
### Notes:-

- <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 FY2017.
- <sup>(6)</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>(7)</sup> Growth rate is negative due to FY2020 being a 12-month period against a 15-month period for FP2019.

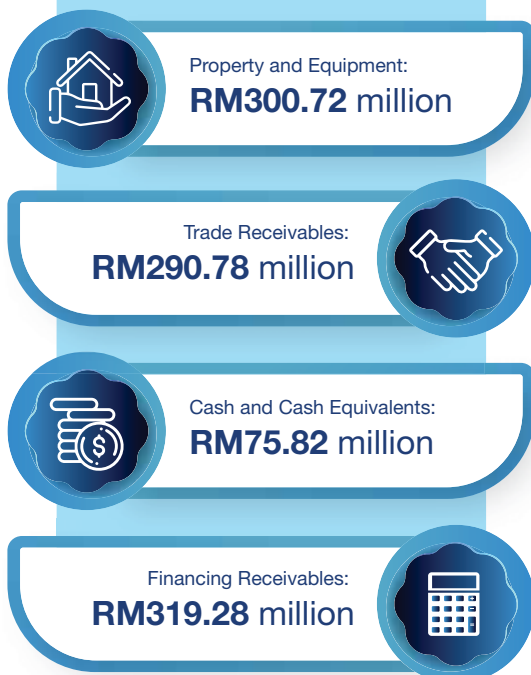
# STATEMENT OF VALUE ADDED DISTRIBUTION AND SIMPLIFIED FINANCIAL STATEMENT

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

**Statement of Value Added Distribution FY2021**



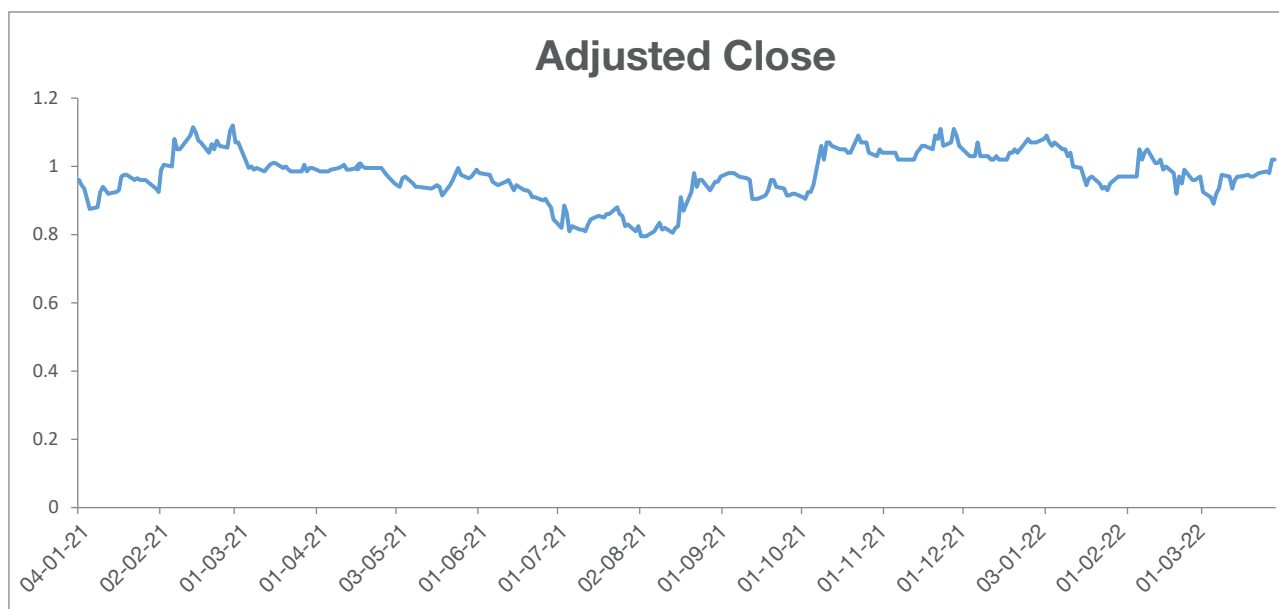
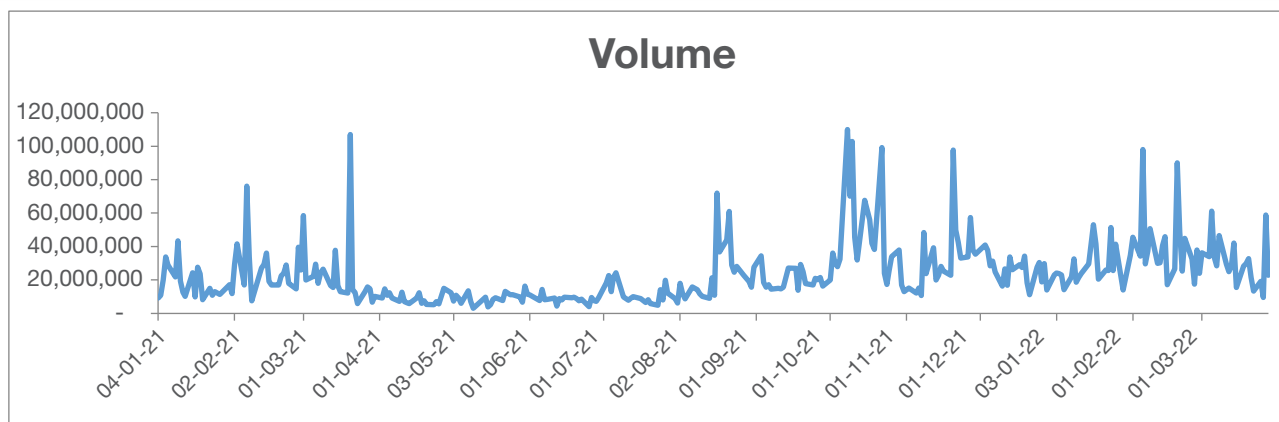
## Simplified Statement of Total Assets FY2021



## Total Liabilities and Shareholders' Equity FY2021



## SHARE PRICE PERFORMANCE



Share Price Performance for the period of 4 January 2021 to 31 December 2021 :

- High (3 March 2021) : RM1.14\*
- Low (20 September 2021) : RM0.87
- Market capitalisation as at 31 March 2022 : RM7.56 billion
- Market capitalisation as at 31 December 2021 : RM7.93 billion

\* Adjusted post bonus issue in FY2021

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 Malaysia 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 MYEG's Board of Directors ("**Board**") and / or Senior Management and more. Such announcements are made available on the Bursa Malaysia 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-to-one and group meetings and conference calls with institutional and retail investors and shareholders, the Minority Shareholder Watchdog Group 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

## REVIEW OF THE MACRO-OPERATING ENVIRONMENT

The COVID-19 pandemic, which began in late FY2019, continued to exert profound influence on the direction of the global and domestic economies throughout FY2021. Notably, the spread of the virus proved to be more than just a health crisis as its impact continued to be felt across the business landscape and financial markets.

Nonetheless, as the availability of vaccines widened and as immunisation rates increased the world over, global economic and social activities began recovering at a more meaningful pace as governments progressively eased restrictions on economic activities, travel and social pursuits. Malaysia was no exception.

On the whole, FY2021 proved to be an improved year as gross domestic product (“GDP”) growth for Malaysia turned positive, registering a 3.1% expansion, a marked improvement over the previous year’s GDP contraction of 5.6%.

### MYEG IN FY2021

Despite a return to positive growth, the Malaysian economy still had to contend with its fair share of headwinds in FY2021, COVID-19 aside. These included private and public sector expenditure staying relatively subdued during the year as well as continued political uncertainties. Cumulatively, these developments compounded the challenges faced by businesses amidst a pandemic-afflicted operating landscape.

However, despite the turbulent operating conditions, MYEG demonstrated resilience – exemplifying business and operational excellence to register a positive revenue and earnings performance as well as accomplishing numerous highlights and achievements.

Leveraging on the strength of its business model, which enables a quick and measured response to market forces, MYEG has continued to make progress in the realisation of its vision and mission while sustaining financial and non-financial value creation.

Importantly, the Group has continued to play a pivotal role in supporting the nation and its citizens during the pandemic period, providing a wide range of much-needed solutions and services towards combatting COVID-19 and keeping society safe. More information on these solutions and services are provided in the Our Strategy section of this report.

By focusing on innovative technology and speed to market, as well as continuing to respond to the needs of the government and society, MYEG ensured its competitiveness while serving the needs of the nation and the public.

All in all, MYEG draws from the inherent strengths of its business model and expertise as a leading digital services provider in the region to actively develop various solutions, partnerships and services to address market needs.

This constant commitment to being a trail blazer and market leader led MYEG to not only attain international recognition from the likes of Asiamoney, which named the Group as one of Asia’s Outstanding Companies under the ‘Malaysia - Software and Internet Services’ category in FY2021, but also culminated in the Group delivering its best ever financial performance with revenue and earnings reaching record levels for the year.

MYEG’s business model has enabled the Group to effectively adapt to the ever-shifting external environment. MYEG has remained proactive in attuning to shifting market forces by continuing to leverage proprietary technologies, systems and platforms to introduce new services in Malaysia and beyond while also expanding existing offerings.

More information on MYEG’s business and operational highlights for FY2021 are provided in the ‘Business and Operational Highlights’ section of this Management Discussion and Analysis.

### FINANCIAL PERFORMANCE

For FY2021, MYEG posted a 36.1% year-on-year rise in revenue to a record high of RM721.88 million, (FY2020: RM530.46 million), while PBT also reached a record RM320.68 million, up 19.2% from the previous year (FY2020: RM268.96 million).

The commendable financial results were derived from across the spectrum of the Group’s businesses, ranging from concession services to commercial services.



Newly-introduced services played a particularly pivotal role in FY2021's strong revenue and earnings performance. These included higher contribution from the COVID-19 health screening programme as well as quarantine collection and related ancillary services under MySafeTravel, a COVID-19 screening and accommodation arrangement for travellers, and MySafeQ, an accommodation programme for low-risk COVID-19 patients.

Meanwhile, greater health and safety consciousness amidst the COVID-19 pandemic spurred further acceleration in the adoption of digital channels among consumers and businesses as their preferred mode of transacting and making payment. Against this backdrop, the Group reported an overall increase in online transaction volumes in FY2021 underpinned by continued strong demand for its existing concession and commercial services, such as online renewal of motorcar road tax and insurance, motorcycle road tax and insurance, and CDL, as well as online renewal of foreign worker permits and insurance, among others.

In sum, contribution from new services that were introduced, particularly within the health care space, and the broader uptrend in online transaction volumes for existing concession and commercial services combined to propel the Group's robust financial performance in FY2021.

### CORPORATE EXERCISES

Notably, the Group's share placement exercises were successfully carried out and drew healthy investor demand.

The first tranche of the FY2020 private placement of 120,000,000 ordinary shares of MYEG ("MYEG Share(s)" or "Share(s)") was completed on 17 December 2020.

Another placement exercise was conducted in FY2021, involving the issuance of a first tranche of 210,000,000 MYEG Shares, on 29 October 2021. A remaining 100,000,000 MYEG Shares from the earlier FY2020 private placement were issued as part of this FY2021 exercise. The total gross proceeds raised from first tranche of FY2021 private placement was RM214.2 million. Up to 300,000,000 MYEG shares had been proposed to be issued under the FY2021 private placement. The Group intends to seek the relevant approvals for an extension to complete the issuance of the remaining unissued 90,000,000 MYEG Shares.

In addition, the Group completed on 15 September 2021 a bonus issue exercise, issuing 3,690,309,821 new MYEG Shares on the basis of one bonus share for every one existing MYEG Share held.

The bonus issue serves to reward existing shareholders of MYEG for their continued support by allowing them to participate more in the equity of MYEG in terms of the number of shares held, whilst maintaining their percentage equity interests in MYEG.

MYEG's enlarged share capital stood at RM669,106,130.22 comprising 7,380,619,642 MYEG shares upon completion of the bonus issue exercise.

### DIVIDEND RETURNS TO SHAREHOLDERS

On 22 June 2021, the Board determined that the Group's dividend reinvestment plan ("DRP") will be applicable for its proposed FY2020 final dividend of 1.7 sen per MYEG Share subject to the approval of MYEG's shareholders on the renewal of authority for the Board to allot and issue new MYEG Shares in relation to the DRP and final dividend. MYEG's shareholders had approved the same at the 20th Annual General Meeting ("AGM") on 1 July 2021. Under the DRP, MYEG's shareholders, if they wish, can reinvest all of their dividend proceeds in return for new MYEG Shares.

The dividend was paid out on 9 September 2021 amounting to RM61.0 million (based on the share capital of 3,588,539,337 MYEG shares (excluding 83,390,400 treasury shares)).

Under the dividend reinvestment scheme completed on 10 September 2021, a total of 18,380,084 new MYEG Shares were issued at the price of RM1.65 per MYEG Share which amounted to RM30.33 million.

On 23 August 2021, the Board declared a first interim single tier dividend of 0.25 sen per MYEG Share (FY2020 – 0.5 sen) for the FY2021 amounting to RM18.00 million, which was paid on 11 November 2021 to MYEG's shareholders registered at the closed business on 15 October 2021.

The Board subsequently on 25 February 2022 declared a final dividend of 1.03 sen in respect of the FY2021. The total dividend declared for FY2021 would thus amount to 1.28 sen per MYEG Share, representing a payout ratio of approximately 30%.

# MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEW OF THE MACRO-OPERATING ENVIRONMENT

(CONT'D)

### CAPITAL AND OPERATIONAL EXPENDITURE

In pursuit of growth opportunities, CAPEX was stepped up in FY2021, though management continued to exercise prudence in managing CAPEX for the financial year. In essence, the strategy remains centred on balancing between investing to unlock business growth and expansion while conserving adequate capital. Similarly, efforts to manage and ensure efficiency of OPEX were also prioritised.

In FY2021, the Group saw CAPEX of RM280.23 million, 53.19% higher year-on-year (FY2020: RM182.93 million), while OPEX stood at RM397.28 million, 54.4% higher year-on-year (FY2020: RM261.72 million). CAPEX and OPEX incurred in FY2021 were mainly for the following:

CAPEX	OPEX
Technologies and services revolving around digital health travel pass;	Personnel-related expenses and operating expenses;
Development of blockchain and related modules;	Advertising and promotion expenses;
Decentralised finance;	Maintenance and operating expenses for MYEG's building ("MYEG Tower"); and
E-government services related modules; and	Depreciation and amortisation charges.
Office and IT equipment	

On a separate note, on 17 June 2021, MYEG had sought its shareholders' approval for the allocation of employees' share option scheme ("ESOS") options to eligible directors of MYEG, at an extraordinary general meeting ("EGM"). As the ESOS was implemented on 24 December 2020 and the basis of allocation had been determined for all employees, the objectives of allocation of ESOS Options to eligible directors is to recognise the contribution of Executive Directors in MYEG's businesses and foster the participation of Non-Executive Directors in MYEG towards effective and balanced decision-making in the Board. The basis in determining the allocation of the ESOS Options to the Board were detailed in the Circular dated 16 June 2021.

### ASSETS AND LIABILITIES, CASH AND BANK BORROWINGS

MYEG's assets continue to far outweigh its liabilities. Increases in both current and non-current assets brought MYEG's total asset position to a new high of RM1.88 billion, 32.39% higher year-on-year (FY2020: RM1.42 billion).

Of note, property and equipment increased by 5.04% to RM300.72 million (FY2020: RM286.30 million). Trade receivables had also increased significantly by 68.29% to RM290.78 million (FY2020: RM172.78 million). Development costs in FY2021 increased by 88.32% to RM322.52 million (FY2020: RM171.26 million).

The Group's cash and bank balances as at 31 December 2021 decreased by 61.85% to RM75.82 million (FY2020: RM221.87 million). The decrease in cash is attributed to the use of funds for CAPEX, including the purchase of property and equipment and other investments. MYEG continues 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 marginally lower at RM160.55 million for FY2021 (FY2020: RM165.52 million).

MYEG continues to maintain a healthy debt-to-equity ratio of 0.16 times (FY2020: 0.03 times).

### HIGHLIGHTS AND ACHIEVEMENTS

In FY2021, immigration-related services were among certain service segments where growth prospects continued to be somewhat dampened by the COVID-19 pandemic. Due to ongoing travel restrictions, which slowed the intake of foreign labour in Malaysia, services related to the immigration space such as work permit applications remained relatively softer during the financial year.

Notwithstanding the impact of travel restrictions on labour migration, the Group made notable progress in other immigration-related activities, specifically in the area of worker housing, with the expansion of the MyStay foreign worker accommodation programme.

The Group continued to respond to the market demand for appropriate foreign worker accommodation, adding more capacity by bringing onstream new hostel sites during the year. Therefore, in addition to existing facilities in Melaka, which continue to see steady occupancy, the Group completed the acquisition and conversion of shoplots in Port Klang, Selangor, into hostels with the capacity to accommodate nearly 500 workers in FY2021. Operations have since commenced with a strong uptake recorded. Additional land for upcoming hostel projects were also acquired during the year, including in Shah Alam.

Meanwhile, government-mandated standard operating procedures (“SOPs”) in response to the COVID-19 pandemic saw restrictions on movement and limitations on physical interaction in certain settings during various periods of FY2021. While these controls had at times disrupted the normal operations of services that require customers to be physically present at specific locations, such as the Group’s driver theory test taking service, on the whole, movement restrictions coupled with heightened health and safety awareness has translated into higher usage of digital channels as the preferred medium of transaction among the public at large.

Consequently, MYEG recorded increased online transaction volumes for its concession and commercial services in FY2021. Among these services were the Group’s online motor vehicle road tax renewal, online motor insurance renewal and online driving license renewal services.

Given the robust flexibility afforded by MYEG’s business model, we have been able to effectively adapt to the ever-shifting external environments in which we operate, more so during the pandemic. MYEG has remained proactive in attuning to shifting market forces by continuing to leverage proprietary technologies, systems and platforms to introduce new services in Malaysia and beyond while also maintaining and expanding existing offerings. This is especially evident in the Group’s burgeoning ventures namely in the healthcare space and in the provision of pioneering blockchain solutions.

### HEALTHCARE SERVICES

FY2021 also saw the full contributory effect of MYEG’s healthcare services to Group financial results. Many of these services such as MySafeTravel (“MST”) and the COVID-19 screening programme had been launched in FY2020 (at the onset of the pandemic in Malaysia).

The initial penetration into the healthcare sector through pandemic-related services paved the way for a full-scale entry of the Group in FY2021. March 2021 saw MYEG announce its diversification into the healthcare sector through MYEG Medical, the Group’s new healthcare division.

The diversification and the subsequent rollout of new product offerings enabled the development of additional and recurring revenue streams for MYEG. Importantly, MYEG could leverage on its existing online platforms to launch new market-oriented services. These include medical screening services, distribution of vaccines and other pharmaceutical products, healthcare devices, the provision of quarantine and quarantine-related services, vaccine verification solutions and more.

In January 2021, MYEG’s partnership with Anhui Zhifei Longcom Biopharmaceutical Co., Ltd. (“Zhifei”) which was established in FY2020, received support and approval from the Ministry of Health Malaysia (“MOH”) and Clinical Research Malaysia to conduct Phase 3 clinical trials of its COVID-19 vaccine. MYEG, which holds exclusive distribution rights to the vaccine in Malaysia and the Philippines, among other markets, also announced intentions to pursue halal certification for the vaccine.

# MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEW OF THE MACRO-OPERATING ENVIRONMENT

(CONT'D)

In February 2021, the Group launched its deep-throat saliva-based COVID-19 test kit, pioneering its use in the Malaysian and Philippine markets. The test kit's advantage includes being able to detect new COVID-19 virus strains while reducing the risk of close contacts. Testing can be done in the confines of the home or workplace.

The test kit enables early and accurate detection, which supports a timely intervention to contain the spread of the virus. It helps to ensure that those infected can be quickly diagnosed, provided medical assistance and quarantined if needed.

Also in the month of February 2021, MYEG introduced MySafeQ, an online portal by offering an array of hotel accommodation and amenity options available to low-risk COVID-19 positive patients wishing to undergo mandatory quarantine requirements in more comfortable settings. Apart from hotel accommodation, additional services such as COVID-19 swab tests, transportation to hotels and other amenities were also provided as part of the programme. This provided a more complete customer experience and enabled MySafeQ to function effectively as a one-stop centre for low-risk positive patients.

In May 2021, MYEG announced that it entered into a MOU with Singapore's Breathonix to establish a commercial partnership. The objective of the partnership is to develop a rapid real-time breath based COVID-19 screening system for use in Malaysia. Compared with reverse transcription polymerase chain reaction ("**RT-PCR**") tests, which is costly and time-consuming, Breathonix's breath test system is a non-invasive, accurate and affordable solution that can generate results within a minute.

The collaboration would also include obtaining regulatory approval in Malaysia to sell and/or lease Breathonix's breath analysis technology for identifying specific COVID-19 bio-markers, and to subsequently produce rapid COVID-19 test results in Malaysia. This collaboration would also see the establishment of an exclusive distribution relationship for the sale and/or lease of Breathonix's technology and systems in Malaysia.

Additionally, further strengthening its collaboration with the government in addressing COVID-19 challenge, the Group, in May 2021, received a letter of acceptance from MIMOS Berhad in relation to the provision of service desk and its related services for vaccine traceability system with tenure of one year from 1 June 2021 to 31 May 2022, with an option to extend for a further one-year term upon its expiry.

In June 2021, MYEG Medical as well as MYEG Philippines, a joint venture ("**JV**") company of MYEG, entered into separate JV agreements in their respective territories. MYEG Medical entered into a JV Framework Agreement with Shigatse Service Co., Ltd. ("**Shigatse**") to establish a JV company in Malaysia while, MYEG Philippines entered into a JV agreement with SinoPhil Biotech Inc. ("**SPB**") and Shigatse to establish a JV company in the Philippines.

The aforementioned JVs are intended to facilitate exclusive procurement, import, distribution of recombinant protein subunit vaccine for COVID-19 vaccines and all other related business activities related to the distribution of the vaccine in these respective territories.

In addition, through MYEG Philippines, the Group entered into a strategic partnership with SPB and Family Vaccine and Specialty Clinics, Inc.'s ("**FVSC**") Health Direct Now for the provision of a COVID-19 vaccination programme in the Philippines that aims to cover not only the supply of the vaccines to the public health segment as part of the Philippines national vaccination programme, but also private sales too.

Also in June 2021, MYEG signed a LOI with Zhifei to purchase 10 million doses of Zhifei's vaccine. This is pursuant to the Malaysian government's decision to enable these vaccines to be made commercially available to the private sector, subject to the conditional authorisation by the National Pharmaceutical Regulatory Agency. The vaccine has already been administered worldwide, including in China, Uzbekistan, Indonesia and Ecuador.

In November 2021, subsequent to the aforementioned collaboration formed with Breathonix, the Group, through MYEG Medical, received a notification from the Medical Device Authority under MOH, stating the latter's approval for the use of Breathonix's BreFence Go.

BreFence Go serves as an alternative for mass COVID-19 screening at the country's entry points including international airports. This is in accordance with the prevailing national protocols and guidelines pertaining to COVID-19 infection control. MYEG has also been appointed as exclusive distributor for BreFence Go in Malaysia for a period of 3 years, commencing 22 December 2021.



## BLOCKCHAIN TECHNOLOGY

Another significant highlight was MYEG's development of DeFi solutions in FY2021.

In August 2021, MYEG introduced DeFi services, leveraging on the power of blockchain technology to provide accessible, affordable and efficient cryptocurrency services to customers.

DeFi uses blockchain technology – in particular, cryptocurrencies and smart contracts – to enable the provision and settlement of transactions without the involvement of conventional financial intermediaries.

The first DeFi offering introduced was MYEG Lock-Earn Wallet, which enables individuals and institutions to earn rental fees on their digital assets holdings. As the roll-out progresses from the initial preliminary phase to subsequent stages of commercialisation and implementation, the Group shall continuously ascertain the applicability of all prevailing regulations at every stage, and engage with relevant authorities to ensure compliance at all times.

DeFi services make up just one part of a much broader push by the Group to promote greater adoption of digital assets and to harness the transformative potential of blockchain technology.

Toward this end, in advancing the Group's blockchain agenda, in September 2021, MYEG, through its subsidiary Mydigitalcoin Sdn. Bhd., entered into an agreement with Bubi Technologies Co. Ltd. ("**Bubi**"), Agmo Holdings Sdn. Bhd. ("**Agmo**") and Star Jewel Capital Inc. ("**Star Jewel**") to regulate the relationship inter se of shareholders and other parties that will become shareholders of Zetrix and MYEG holds 51% of Zetrix.

This partnership will facilitate the development of supernodes around the world, with Malaysia to be home to the first supernode known as Zetrix, based on a blockchain system that will ensure data compatibility with China's national blockchain network, Xinghuo Blockchain Infrastructure and Facility ("**Xinghuo BIF**") to enable the introduction of game-changing applications, including in the area of global cross-border supply chain financing and traceability.

The Zetrix supernode will offer both a public blockchain network, which is one that is permissionless and open to anyone to participate, as well as a private blockchain network, where participation will be restricted to permissioned entities typically required for B2B use cases, with each network designed to serve distinct purposes.

Zetrix will lend itself well to the provision of solutions that have been long and much sought-after in global trade; end-to-end product traceability and financing along the entire supply chain, which, in this case, relates to the two-way flow of goods between China and the rest of the world.

This represents a particularly timely development in view of the impending commencement of the Regional Comprehensive Economic Partnership ("**RCEP**"), a free-trade agreement comprising 15-member countries, including China, that collectively account for 30% of global output and 30% of the world population. Verification of product origin and supply chain traceability are among RCEP's key objectives.

In a related development and further cementing MYEG's key role in driving regional adoption of blockchain innovations through the Zetrix project, MYEG signed on October 2021 a MOU of Strategic Cooperation with the Institute of Industrial Internet and Internet of Things of the China Academy of Information and Communications Technology ("**CAICT**").

The agreement was signed with the objective to establish Zetrix as the international extension of China's national blockchain network, Xinghuo.

Zetrix is positioned to be a catalyst for blockchain technology adoption and innovation across all business sectors, which will allow and accelerate the adoption of 4IR technologies – Blockchain, Artificial Intelligence ("**AI**"), Internet of Things, advanced materials and technologies, as well as cloud computing and big data analytics.

Countries and corporations, especially in RCEP regions, can utilise Zetrix as a gateway to China's Xinghuo BIF network to maximise the potential of the free trade agreement by leveraging on the blockchain. Doing so will generate increased administrative efficiency and at the same time enhance transparency and product traceability, which are key to provide added value for ever-increasing consumer awareness.

Pilot applications in blockchain will power trade traceability, digital identity, supply chain management, smart financing and digital trade to enable a new wave of innovation and talent development towards a borderless future.



# MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEW OF THE MACRO-OPERATING ENVIRONMENT

(CONT'D)

In December 2021, MYEG was recognised with the “Excellent Award” from China’s Ministry of Industry and Information Technology following its case presentation at the 10+3 Digital Economy Innovation Forum & Awards in China on its Zetrix blockchain project.

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

Subsequently, in April 2020, 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 decentralized applications, with NFT Pangolin being 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.

## OTHER MALAYSIA BUSINESS HIGHLIGHTS AND ACHIEVEMENTS

Beyond MYEG’s healthcare and blockchain successes, the Group also continues to chart significant developments in other areas of its operations.

In January 2021, MYEG Capital participated in a Series A financing by Beijing DeepScience Technology Ltd., a leading virtual live streaming, real-time animation and digital human company. It has already achieved virtual and real image synthesis and digital human-computer interaction functions in certain commercial fields that MYEG could potentially leverage in the future.

March 2021 saw MYEG venturing into the online gaming space when it secured title partnership of the inaugural Malaysia Esports Series 2021 (“**MES 2021**”). MES 2021 was jointly organised by My Events International and THQ Esports Club. The event is supported by the Ministry of Youth & Sports, Ministry of Higher Education and Ministry of Health.

In April 2021, MYEG’s NAK BELI e-commerce platform, rebranded to BELI e-Mart, introduced same-day delivery for customers following the opening of two new BELI Mart physical stores in Puchong and SS15 Subang Jaya. The two new stores were additions to the existing store in Damansara Perdana, Petaling Jaya. The three retail stores are a part of a pilot programme for same-day delivery service that may lead to more stores launched in the near future.

The BELI platform also continued to secure long-term partnerships with corporations to become their essentials provider, helping these corporations to maintain their business during the pandemic period. BELI’s user base grew exponentially in FY2021, increasing multiple times over its FY2020 base.

In November 2021, MYEG received approval from the JPJ to commence development of a Proof of Concept (“**POC**”) for an Automated Training and Driving Test System (“**e-Testing**”). The system is intended to support more effective assessment of candidates undergoing the Drivers’ Learning Education Curriculum. The POC commenced from 1 December 2021 and is a prelude to the eventual commercialisation of the e-Testing system.

In the same month, MYEG entered into a MOU with A Tech Insure Sdn. Bhd. (“**A Tech**”) to provide Malaysian civil servants with a platform to purchase motor vehicle takaful coverage together with renewal of road tax through an interest-free Shariah-compliant Qard loan facility. The facility enables instalment payments via a salary deduction plan of up to 10 months. This partnership would see MYEG operating and maintaining an electronic platform to process all online applications submitted by civil servants for motor vehicle takaful purchases and road tax renewals.

November 2021 also saw Group subsidiary, MYEG Fin Tech, having its money lending license renewed by the Ministry of Housing and Local Government of Malaysia. The license renewal is valid for 2 years beginning from 15 January 2022 to 14 January 2024. This license would enable MYEG Fin Tech to carry out money lending-related activities and services that complement its current businesses.

### OVERSEAS BUSINESS HIGHLIGHTS AND ACHIEVEMENTS

In September 2021, the Group announced that through MYEG Philippines, it has rolled out two more major e-government services. These services are the online payment of income taxes to the BIR and online payment of fees to the PEZA. Both services enable users to pay their personal and company taxes online as opposed to having to physically queue up at government counters.

To reduce the need for face-to-face interaction amid the pandemic and to provide added convenience to users, door-to-door delivery of NBI clearances was introduced during the year, on top of the online renewal service already being offered.

These new services marked the latest in a number of significant e-government services that MYEG Philippines has been continually introducing since its inception in 2017 and further reinforces its dominant position as the country's leading one-stop e-services platform.

Meanwhile, in light of the COVID-19 pandemic and its resultant restrictions, activity in the Group's other overseas markets, namely Indonesia and Bangladesh, remained subdued during FY2021.

Nevertheless, the Group's progress in the Philippines and on Zetrix as well as the novel and innovative technological developments towards expanding into new business sectors continue to augur a bright future for MYEG's expansion into international markets.

### REINFORCING SUSTAINABILITY GOVERNANCE

In FY2021, MYEG formed the Sustainability Working Group ("**SWG**") within its sustainability governance structure to efficiently tackle risks and opportunities arising from material ESG topics.

Enacting this working group ensures that sustainability plans, improvements and strategies are well implemented and also reviewed when necessary so that our Senior Management and the Board can also better provide their input towards maintaining long-term sustainability within the Group.

Details on the SWG and other sustainability disclosures are provided in the FY2021 Sustainability Statement on page 60 to 106.

### ECONOMIC OUTLOOK

Globally, the economy continues to recover at a moderate but positive, pace with the International Monetary Fund ("**IMF**") forecasting a global economic growth of 4.4% in 2022 as worldwide economic prospects continue to weighed by the persistent presence of COVID-19. Similarly, Malaysia is also expected to maintain a positive growth trajectory for FY2022 and beyond.

According to the Minister of Finance Malaysia, the nation is forecasted to achieve a GDP growth of 5.5%-6.5% in FY2022. Growth is underpinned by Malaysia's biggest ever budget allocation of 2022, a RM332.1 billion budget. The Malaysian government also anticipates revenue to expand by 5.9% to RM234 billion.

This positive outlook on national GDP growth in FY2022 will be supported by the continued expansion in global demand and higher private sector expenditure as labour market conditions improve and support for policies are ongoing. Additionally, the continuation of major investment projects in both private and public sectors will support this growth.

Economic growth will also continue to be supported by the government's roll-out of RM530 billion worth of economic packages and increased oil and gas revenues on the back of higher prices. However, the present Ukraine-Russia conflict does pose risks to global economic recovery and we continue to monitor those events.

These growth drivers are backed by the country's robust vaccination rates, as the National COVID-19 Immunisation Programme ("**PICK**") fully rolled out vaccinations in FY2021. PICK forecasts that 80% of Malaysia's population will be fully vaccinated by August 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEW OF THE MACRO-OPERATING ENVIRONMENT

(CONT'D)

Market prospects related to MYEG's business segments are also posting a positive outlook for FY2022. In addition to the ever-growing healthcare sector worldwide, the global cryptocurrency market is also rapidly booming. A market capitalisation of USD2 trillion, as well as an intra-regional trade value of USD2.5 trillion annually among member countries of RCEP, form the prospective basis for the Group's burgeoning initiatives in the digital assets space and the roll-out of Zetrix industrial blockchain applications respectively.

### MANAGING AND MITIGATING RISKS

MYEG will continue leveraging its current business strengths and propositions to remain adaptable in an expectedly fluid operating environment in FY2022.

The strong impetus to take advantage of emerging trends and introducing new services also brings its own set of potential risks for the Group.

Notably, MYEG's early-mover prospects into the blockchain sector in the region introduces a slew of unique challenges to face of which is regulatory compliance, as the regulatory environment remains under-developed given the newness of the blockchain and digital assets space.

It is important for the regulatory framework to keep pace with the evolution of technology to support and foster constant innovation. The seamlessness of technology, which often entails cross-border collaboration and global market reach, may also pose challenges in complying with differing regulations across different countries. However, to the best of its ability, the Group continues to strive towards ensuring regulatory compliance.

With regard to the healthcare sector, MYEG welcomes greater transparency from governments with regards to their plans to address the COVID-19 pandemic. Notably, with the recent announcement by the Malaysian government to gradually transition into the endemic phase of their national COVID-19 mitigation strategy in 2022, this provides government partners such as MYEG time and space to better formulate a pre-emptive strategy to enable a more effective response in combatting the pandemic alongside relevant government and industry players.

Having ascertained its risks and developed appropriate mitigation plans, MYEG is confident of its ability to evolve accordingly to be competitive and to sustain value creation.

### CAPITALISING ON OPPORTUNITIES

MYEG stands ready in FY2022 to meet the growing need for healthcare services across its operating markets. The Group intends to continue introducing innovative services by leveraging on new technologies in Malaysia as well as the countries in which it has a presence in, to drive organic growth.

In view of this development, MYEG aims to facilitate this reopening through our various offerings for travellers such as COVID-19 testing (e.g. breath tests and more) for arriving travellers, insurance options, quarantine facilities, vaccine verification services, the facilitation of quarantine free travel as well as other related products and services via our online portal. These are in line with MYEG's interest and capacity to pursue the facilitation of mass vaccine travel.

Aside from healthcare, MYEG's nascent but growing blockchain initiative also offers plenty of potential. The Group's offerings within the realm of blockchain and digital assets are in line with the digital transformation agenda of the nation. This is towards realising a connected, digital based economy and society through the proliferation of smart solutions for all facets of everyday life.

FY2022 shall see MYEG introduce more pioneering products, applications and service-based on blockchain technologies. The Group intends to explore other blockchain applications not only in DeFi, but also digital identification, NFT, transformation of global cross-border commerce through Zetrix and other future blockchain-based solutions. FY2022 is likely to see the emergence of new and pioneering business opportunities being unlocked through blockchain.

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF THE MACRO-OPERATING ENVIRONMENT

(CONT'D)

As before, MYEG will continue to leverage on strategic partners to drive its blockchain agenda. The partnerships formed in realising the Zetrix vision mark the first of many more collaborations that will pave the way for game-changing solutions to emerge.

Ultimately, the intention is to develop more blockchain technology applications and services towards penetrating more business/economic sectors and to benefit local and international communities.

Aside from healthcare and blockchain, other products and services under MYEG's platform also exhibit promising potential.

With the reopening of international borders and travel, MYEG's immigration services – be it in relation to job matching, insurance or work permits, should consequentially see an upturn in momentum. With macroeconomic conditions improving and demand for foreign worker housing rising, the Group also endeavours to progressively expand capacity to accommodate more workers through the MyStay programme in FY2022 and beyond. In addition to completing a new hostel in Shah Alam, planning and works related to the construction of a facility at the Tanjung Langsat Industrial Complex in Johor are also set to resume.

The Group will also continue to identify and acquire vacant land or properties that are suitable for conversion into foreign worker hostels in target locations across the country.

Immigration services remain an important segment to MYEG and the Group is committed to further strengthening its leadership in the space and to bring more innovative and holistic solutions to the nation.

In view of this, at the end of December 2021, MYEG announced that MYEG Capital had entered into a Share Sale Agreement with S7 Holdings Sdn. Bhd. ("**S7**") for the purchase of 118,000,000 ordinary shares of S5 Holdings Inc. ("**S5**"), representing 10% of the issued and paid-up share capital of S5 from S7 for a purchase consideration of RM86.5 million. With the acquisition, MYEG Capital now holds a 20% interest in S5.

S5 Group is a global integrated security solutions provider, delivering real solutions and advances to both governments and enterprises. MYEG remains optimistic that, as a market leader in the area of immigration security and control systems, the acquisition of is well-placed to provide the necessary solutions to support and enable MYEG and the Malaysian government to attain national security goals while for S5 MYEG's established track record, experience and capabilities can be leveraged to enhance its performance and generate synergies.

BELI, as an e-commerce platform is progressively evolving into a q-commerce (also known as quick commerce) channel to better cater to rising consumer expectations for convenience and immediacy. This will be achieved through in-house fleet optimisation and micro-fulfillment hubs. The Group aims to open more stores within the next 1-2 years in high-density suburban neighbourhoods nationwide.

To support these and other future initiatives, the Group remains in a fundamentally sound financial position, bolstered by strong internal cash flow generation and with options to pursue, if deemed appropriate and timely, relevant corporate exercises towards the realisation of MYEG's objectives.

We ultimately view that our forward-thinking strategic priorities cultivate a strong influential force in guiding MYEG's key business strengths towards a positive growth-oriented direction throughout FY2022.

Combined with sustainable, mutually-beneficial stakeholder collaborations with governments, corporations and communities, MYEG's Board retains the cautiously optimistic viewpoint that, barring any unforeseen circumstances, the Group will continue to tread the path of strong growth, domestically and internationally, in the year ahead.

## BOARD OF DIRECTORS' PROFILES

### DATO' DR NORRAESAH BINTI HAJI MOHAMAD

*Executive Chairman*

Age	:	74
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

#### Working experience and occupation

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

#### Directorship of public companies/ listed issuer

- Latitude Tree Holdings 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

- Amanat Perdana Setahun Malaysia Perihatin with Perdana Menteri
- WIEF
  - Straight Up on US-CHINA: Navigating Market Uncertainties
  - #iEmPOWER | Creative Industries: Harnessing Emerging Technologies Webinar
  - #iEmPOWER Webinar on Digitalisation Trends: Opportunity Within
- MyEG Medical Sdn. Bhd. – How Effective is ZIFIVAX Against New Variants of SARS-COV-2 Virus?
- Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries
- Updates on MCCG 2021



## WONG THEAN SOON

*Group Managing Director*

Age : 51  
 Nationality : Malaysian  
 Gender : Male  
 Date of appointment : 6 March 2000  
 Date of last re-election : 6 August 2020  
 Board Committee membership : Employees' Share Option Scheme Committee (*Member*)



### Qualifications

Bachelor Degree in Electrical Engineering, National University of Singapore

### 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

- Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries
- Updates on MCCG 2021

## BOARD OF DIRECTORS' PROFILES

(CONT'D)

### DATUK MOHD JIMMY WONG BIN ABDULLAH

*Non-Independent Non-Executive Director*

Age	:	60
Nationality	:	Malaysian
Gender	:	Male
Date of appointment	:	18 August 2006
Date of last re-election	:	1 July 2021
Board Committee membership	:	<ul style="list-style-type: none"> <li>• Nomination Committee (Member)</li> <li>• Audit Committee (Member)</li> </ul>



#### Qualifications

Diploma in Business Studies, Jinan University, Guangzhou, China

#### Working experience and occupation

1981 - 2002	• Royal Malaysian Police
1994 - 1996	• Diplomatic Mission, Wisma Putra, Guangzhou, China

#### 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

- Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries
- Updates on MCCG 2021

## WONG KOK CHAU

*Independent Non-Executive Director*

Age	:	53
Nationality	:	Malaysian
Gender	:	Male
Date of appointment	:	9 July 2018
Date of last re-election	:	14 March 2019
Board Committee membership	:	<ul style="list-style-type: none"> <li>• Audit Committee (<i>Chairman</i>)</li> <li>• Risk Management Committee (<i>Member</i>)</li> <li>• Remuneration Committee (<i>Member</i>)</li> <li>• Employees' Share Option Scheme Committee (<i>Chairman</i>)</li> </ul>



### Qualifications

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

### Working experience and occupation

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

- Corporate Director's Summit by MACD
- Hong Kong FinTech Week
- Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries
- Updates on MCCG 2021

## BOARD OF DIRECTORS' PROFILES

(CONT'D)

### DATO' SRI MOHD MOKHTAR BIN HAJI MOHD SHARIFF

*Independent Non-Executive Director*

Age	:	65
Nationality	:	Malaysian
Gender	:	Male
Date of appointment	:	9 November 2020
Date of last re-election	:	1 July 2021
Board Committee membership	:	<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

#### Working experience and occupation

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

#### Directorship of public companies/ listed issuer

TMC Life Sciences Berhad (*Independent Non-Executive Chairman*)

#### 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

- Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries
- Updates on MCCG 2021
- How to be an effective NED in disruptive world
- Audit Committee Conference 2021

## DATO' MOHD JEFFREY BIN JOAKIM

*Independent Non-Executive Director*

Age	:	62
Nationality	:	Malaysian
Gender	:	Male
Date of appointment	:	9 July 2021
Date of last re-election	:	Nil
Board Committee membership	:	<ul style="list-style-type: none"> <li>• Remuneration Committee (Member)</li> <li>• Risk Management Committee (Chairman)</li> </ul>



### Qualifications

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

### 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

Dato' Jeffrey began his career as a public officer since 1982, and has extensive experience throughout his 38 years in public service. He has represented the nation on multiple occasions in international conferences and was one of the Malaysian representatives of the Malaysia-United States Free Trade Agreement.

### 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

- Mandatory Accreditation Programme for Directors of Public Listed Companies 11-13 October 2021



## BOARD OF DIRECTORS' PROFILES

(CONT'D)

### MOHAINI BINTI MOHD YUSOF

*Independent Non-Executive Director*

Age	:	56
Nationality	:	Malaysian
Gender	:	Female
Date of appointment	:	9 July 2021
Date of last re-election	:	Nil
Board Committee membership	:	<ul style="list-style-type: none"> <li>• Nomination Committee (Chairman)</li> <li>• Audit Committee (Member)</li> <li>• Risk Management Committee (Member)</li> </ul>



#### Qualifications

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

#### Working experience and occupation

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

- Corporate Directors' Summit themed "Governance 4.0: Transforming Business, Transforming Boards"
- Securities Commission's Audit Oversight Board Conversation with Audit Committee

## KEY SENIOR MANAGEMENT'S PROFILES

### CHONG CHIEN MING

Chief Financial Officer

Age : 48  
Nationality : Malaysian  
Gender : Male  
Date of appointment : January 2015

#### Qualifications

Bachelor Degree in Accounting, Universiti Putra Malaysia  
Member, Malaysian Institute of Accountants (MIA)

#### Working experience and occupation

1998 – 2000 • Internal Audit Executive, MBF Management Services Sdn Bhd  
2000-2002 • Finance Executive, Peremba Development Sdn Bhd  
2002-2003 • Assistant Finance Manager, AEON Credit Service (M) Sdn Bhd  
2003 - 2015 • Financial Controller, MYEG  
2015 - present • 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 (aside from traffic offences)

Nil

### DATUK NOR ADNAN BIN ZAINAL ABIDIN

Project Director

Age : 64  
Nationality : Malaysian  
Gender : Male  
Date of appointment : September 2013

#### Qualifications

- Bachelor Degree in Business Administration (Hons), Universiti Kebangsaan Malaysia
- Certificate of Teaching (Teaching English as a Second Language), Sultan Idris Teachers' Training College

#### Working experience and occupation

1978 - 1984 • English Teacher  
1985 - 1986 • Plans and Control Analyst, Mesiniaga Berhad  
1987 - 1995 • Business Planning Manager, Mesiniaga Berhad  
1996 - 2007 • Business Development (Project Management) in various companies such as:  
• Mesiniaga Berhad  
• Gopeng Berhad  
• Maximal Technology Sdn Bhd  
• Datapower Sdn Bhd  
• Ministry of Education Project Team (MSCTC Sdn Bhd)  
2007 - 2009 • Business Development Director, MSC Technology Centre Sdn Bhd  
2009 - 2010 • Director of Government Communication Affairs, DELL Asia Pacific  
2010 - 2013 • Head of Sales and Marketing, Datasonic Group Berhad  
2013 - present • Project Director, MYEG

#### Directorship of public companies

Nil

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

Nil

#### Conflict of Interests with MYEG

Nil

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

Nil

## KEY SENIOR MANAGEMENT'S PROFILES (CONT'D)

### MOHD RUSHDAN KHAIRUL ANUAR

Information Technology ("IT") Director

Age : 37  
Nationality : Malaysian  
Gender : Male  
Date of appointment : 15 February 2021

#### 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

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

#### 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

### ERIC LEE KOK LEONG

Director of Product Marketing

Age : 44  
Nationality : Malaysian  
Gender : Male  
Date of appointment : September 2017

#### Qualifications

- Bachelor 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

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

#### 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

## KEY SENIOR MANAGEMENT'S PROFILES

(CONT'D)

### HASYATI BINTI SHUKRI

*Deputy Project General Manager*

Age : 38  
Nationality : Malaysian  
Gender : Female  
Date of appointment : January 2015

#### Qualifications

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

#### Working experience and occupation

2005 - 2012 • Project Executive, MYEG  
2012 - 2015 • Senior Project Manager, MYEG  
2015 - present • Deputy Project General Manager, MYEG

#### 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

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

*Head of Operation Department (JPJ)*

Age : 47  
Nationality : Malaysian  
Gender : Male  
Date of appointment : July 2017

#### Qualifications

Diploma Computer Engineering

#### Working experience and occupation

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

#### Directorship of public companies/ listed issuer

Nil

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

Nil

#### Conflict of Interests with listed issuer

Nil

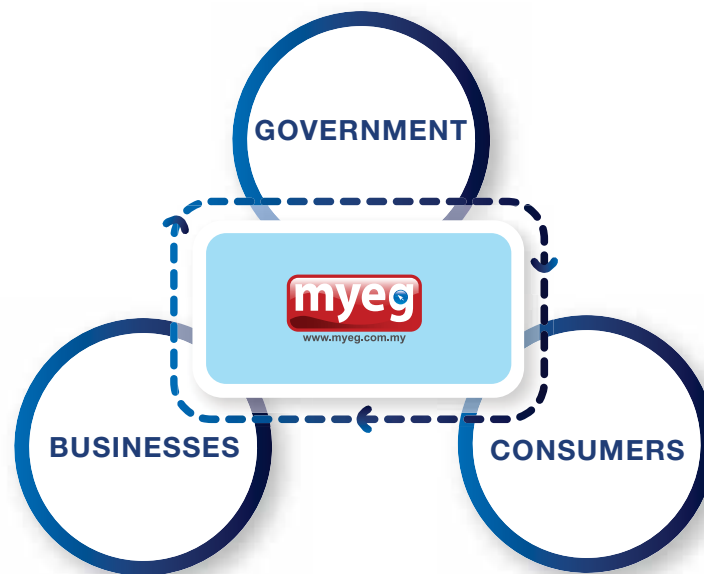
#### Any other convictions (aside from traffic offences)

Nil

## GROUP BUSINESS MODEL

The Business model is centred on the provision of solutions and services, through electronic/digital mediums or conventional mediums. Tapping strong customer insight and proprietary technology, MYEG develops services that link society, businesses and governments together, that develops a vibrant ecosystem that deliver value for all stakeholders.

The model is replicated (and customised to local requirements) in markets beyond Malaysia i.e. – Indonesia and the Philippines.



MYEG enables a wide range of services between public, government and businesses.

### SHAREHOLDERS & INVESTORS

A robust recurring income model that continues to generate strong financial returns with exponential potential for diversification into new revenue streams

### GOVERNMENT

Efficient collection of COVID-19 health screening payments, quarantine station charges, various taxes and more made possible through our e-services

### LOCAL COMMUNITY

Beyond providing 2,552 employees with direct employment, MYEG has enabled the development of local value chains thus providing job and entrepreneurial opportunities especially in an uncertain job market

### INDUSTRY

Supports the development of local technology and intellectual property and by bringing the model to foreign markets, drives Malaysia's transition from a consumer of technology to a producer and exporter.

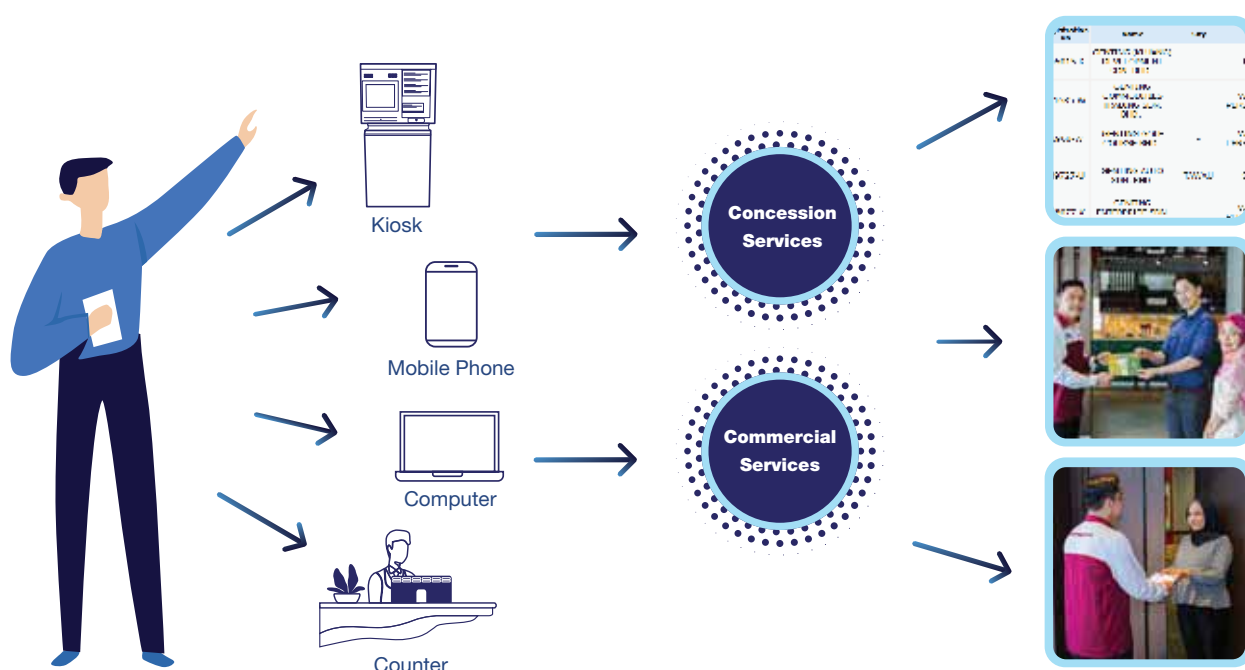


## THE BUSINESS MODEL AT WORK

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 page 12-13 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.



MYEG's business model is unique and robust. It is dynamic and responsive to changes in the external operating environment, especially with the constant digital evolution and the onset of the COVID-19 pandemic.

Essentially, the Group is a digital enabler of a spectrum of concession (government) and commercial services. We serve as a dependable and reliable "bridge" between consumers and their government – digitalising the provision of various essential services that is ultimately aligned with the aspirations of governments in realising a more digitised nation.

These services are provided to consumers over multiple channels. Consumers need only access the MYEG portal through any electronic device and follow the step-by-step process to apply for relevant permits, renew licenses, access various healthcare-related offerings or use other services. Payment is made via the portal and the necessary documentation is then delivered online, at the counter or to the doorstep via courier.

Users enjoy anytime, anywhere ease of access to a wide range of important services, not forgetting convenience and at affordable costs. Travel times are reduced, and this enhances productivity while also helping to reduce carbon emissions.

Essentially, MYEG strives to provide a convenient customer experience or journey in the consumption of its services. Customers literally have a wide range of services readily available. Similarly, businesses and employers seeking to engage in these e-government services can also benefit from this increased accessibility and convenience, which potentially bolsters their operational efficiency, by leveraging on MYEG.

## GROUP BUSINESS MODEL (CONT'D)

The business model also provides entrepreneurial opportunities for small and medium enterprises, such as through MYEG Kiosk agent model, and for promising start-ups to flourish in various industries, with the support of venture investments from MYEG Capital, as well as creates a wide range of jobs to spur local socio-economic development and prosperity.

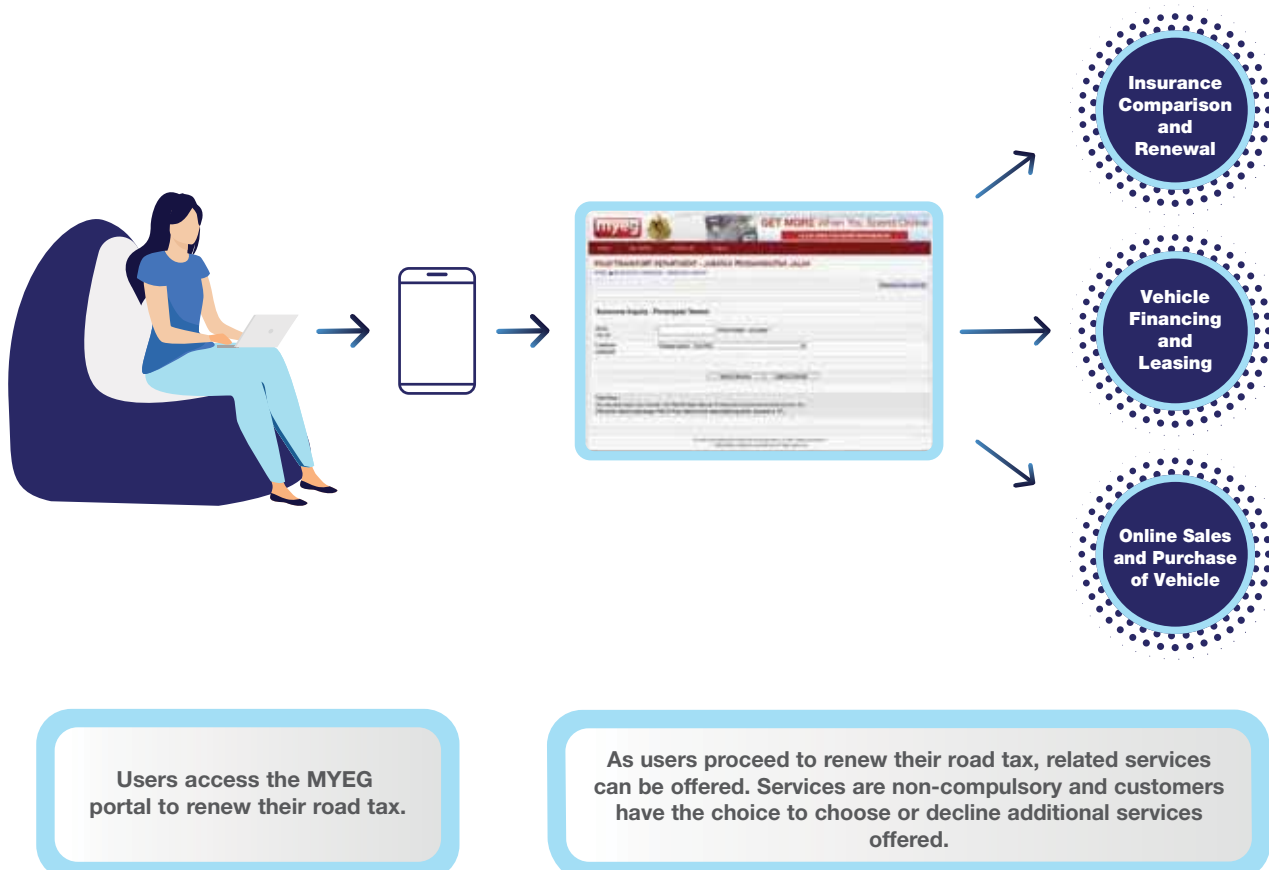
The Malaysian government has benefitted via the efficient collection of a variety of taxes, COVID-19 test payments, quarantine station charges and more which are made possible through our e-services. MYEG has and continues to make a significant contribution towards nation-building and the continued socio-economic prosperity of the nation and its people, especially in its critical role as an essential services provider amidst the pandemic situation.

Progressively, MYEG has leveraged on its platform to venture into new areas. This includes the healthcare sector (one-stop COVID-19 portal, MySafeTravel and MYEGuard), automotive sector (vehicles auction and sales), FinTech (provision of hire purchase financing solutions for vehicles), digital assets and others.

Blockchain in particular represents one of MYEG's biggest new pivots since our entrance into the healthcare sector in FY2020. Our early decentralised finance and digital assets-related initiatives represent our constant commitment to bring disruptive innovations to the market in advancing the country's digital agenda. MYEG plans to adopt a managed decentralisation approach with its forthcoming Zetrix blockchain platform.

The Group remains sensitive of market requirements and continues to offer solutions that best meet local context and requirements, especially in contributing to the fight against the pandemic.

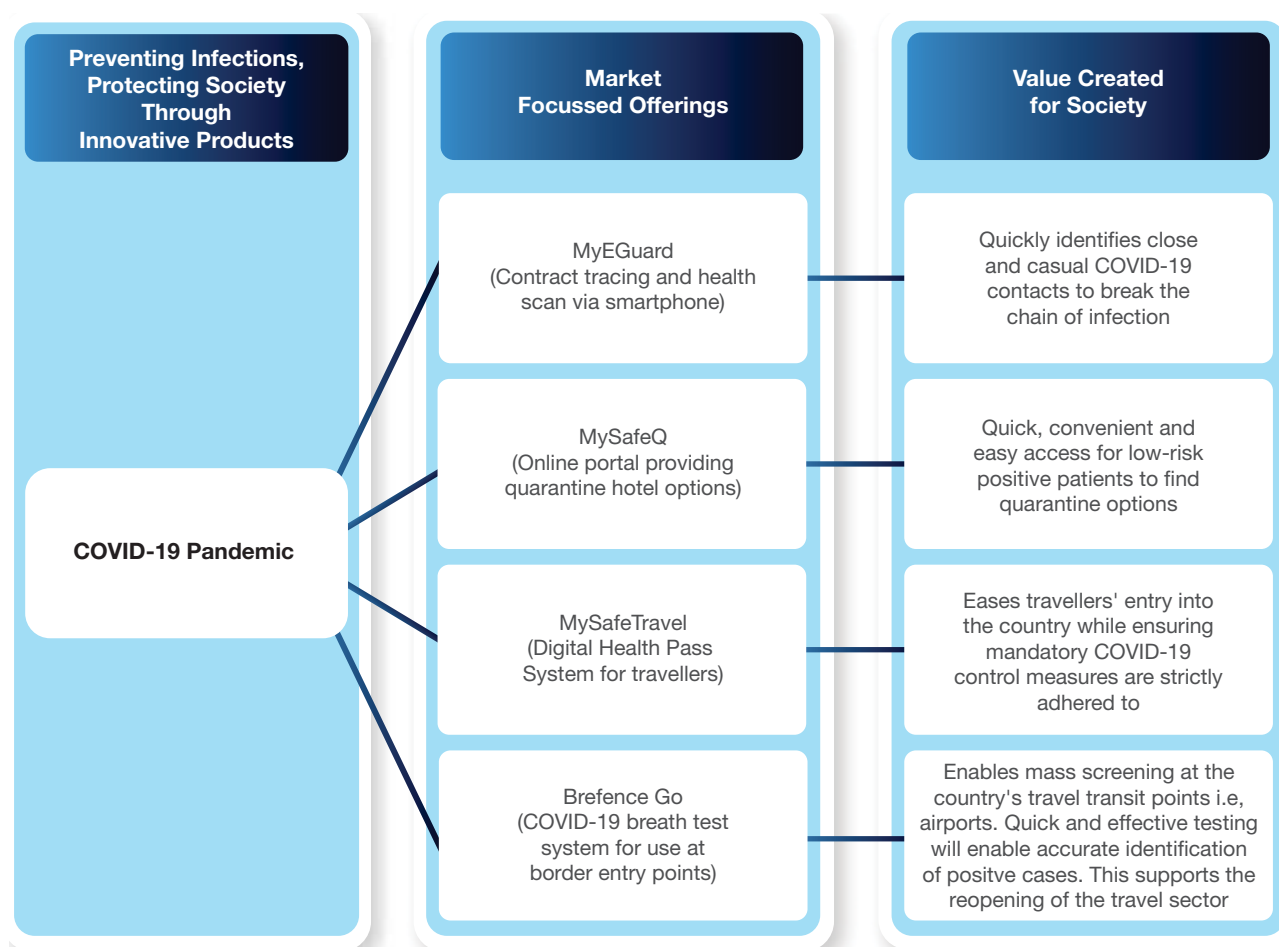
The Group's chosen business model enables cross-selling of services between concession and commercial services seamlessly, thus providing consumers with a complete value proposition. Cross-selling is made possible by using proprietary Big Data Analytics ("BDA") and AI to match services based on the individual customers' profile and other information.



## COVID-19 PANDEMIC RELATED SOLUTIONS

With the advent of the COVID-19 pandemic, in tandem with market requirements, MYEG approach to value creation has also shifted towards safeguarding social capital; that is ensuring the wellbeing of stakeholders and providing much-needed solutions that will aid in preventing infections and combat the spread of the pandemic.

The focus was on meeting the urgent need to keep people safe and to address the gaps created by the pandemic.



## GROUP BUSINESS STRENGTHS

MYEG's business model enables the Group to derive a wide range of business strengths. These business strengths enable the Group to respond effectively to its external operating environment.

For example, strong internal technological capabilities coupled with close working partnerships with government agencies enable a speedy rollout of much needed solutions such as the various pandemic related services. This enables the government to respond swiftly to the public's needs especially during a crisis or emergency. Speed and accuracy are essential towards allaying public concerns and fears and to also ensure continuity of services.

Other strengths include the Group's robust balance sheet and healthy cashflows, which facilitate continued investments into new businesses, solutions and technologies. This in turn supports MYEG's competitive ability to be a first mover in launching services in tandem with evolving requirements of the operating landscape. Financial strength empowers a flexible and fast response to market needs.

The ability to be first in market with affordable, convenient and effective solutions cements the Group's branding as an industry leader and preferred choice which in turn supports revenues and earnings which, consequently, bolsters the financial performance of the Group.

Business strategies are selected towards leveraging on the Group's natural strengths and the robustness of the business model. However, strategies may also serve as a catalyst for improvements / changes to the business model towards ensuring successful implementation. This may also impact or alter the Group's identified business strengths or competitive advantages.



STRENGTHS	DESCRIPTION / SIGNIFICANCE	STRATEGIES TO LEVERAGE ON STRENGTHS
Broad mix of revenue channels across diverse commercial and e-government services	MYEG offers a wide range of government concession and commercial services, with the latter providing the bulk of Group revenues.	Continued product development to create new service offerings to customers in established markets. Introducing existing products into new markets are also a part of this strategy.  Portfolio diversification plans to reduce dependence on any single product platform.
Robust financial position	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.  A strong balance sheet and stable cashflows also puts the Group in a favourable position when seeking borrowings.	Continued emphasis on strengthening cashflows by developing more products, focussed on recurring income streams, disposals of non-core assets and continued dividend reinvestment plans for shareholders.
Growing regional footprint	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.  A multi-market approach enables cross sharing of ideas, innovations, strategies, talents as well as product replication.	Introduction of existing products into new markets. Expand the roll-out of established service offerings in current operating markets.  Leverage on local partners in the respective markets via strategic joint ventures, especially technology partners.  Recruit professional talents from overseas markets.
Market leader	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.  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.  Strong brand equity generates higher traffic which will result in substantial revenue increase and market position.	Continue solidifying market leadership position via branding activities, constantly innovating new products in tandem with market requirements. This includes healthcare services and blockchain offerings.  Leverage on brand strength to drive key stakeholder engagement, especially with governmental stakeholders and technology partners.  Leverage on brand strength to upsell services or to offer customised propositions to customers by tapping on BDA.



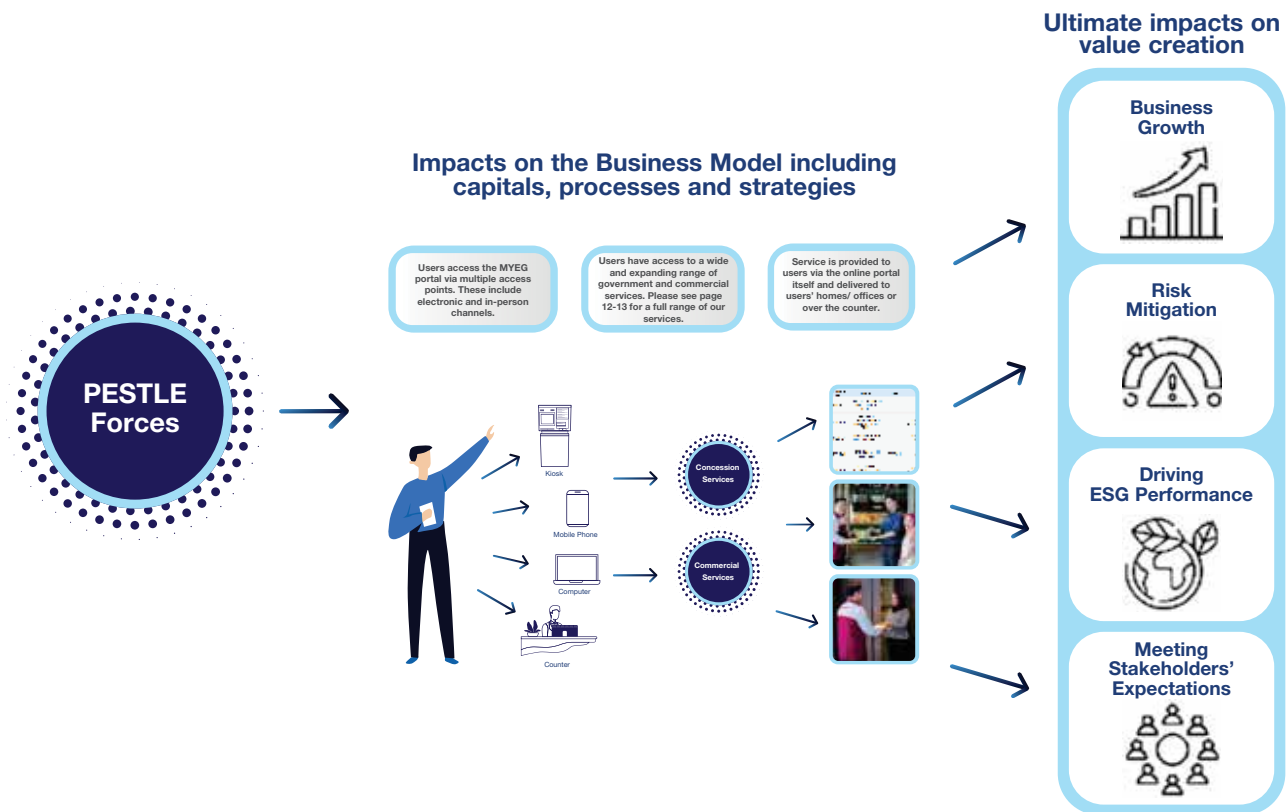
## GROUP BUSINESS STRENGTHS

(CONT'D)

STRENGTHS	DESCRIPTION / SIGNIFICANCE	STRATEGIES TO LEVERAGE ON STRENGTHS
<p>Growing portfolio of services</p> <p>Strong technological and innovation capabilities</p>	<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>	<p>Introducing new healthcare-related services and products in both Malaysia and abroad to aid our government partners in their fight against the spread of the COVID-19 virus. Some of these services and products launched were:</p> <ul style="list-style-type: none"> <li>• MySafeTravel</li> <li>• MYEGuard</li> <li>• One-Stop COVID-19 Portal</li> <li>• COVID-19 testing innovations (rapid test, breath test)</li> </ul> <p>Pioneering blockchain initiatives in line with our belief that all types of assets will eventually be digitalised on a decentralised or multi-centered platform. New services introduced or in the works, including through strategic collaboration with Chinese partners, include:</p> <ul style="list-style-type: none"> <li>• Zetrix blockchain</li> <li>• MYEG Lock-Earn Wallet</li> <li>• NFT Pangolin</li> </ul>
<p>Quick business response</p>	<p>MYEG was quick to adapt to the COVID-19 pandemic with the launch of new pandemic-related products and services.</p>	<p>Continue focussing on market speed to develop first mover advantage. Emphasise on remaining ahead of the competitive curve by constantly introducing new products. Remain the pioneer and originator.</p> <p>Penetration into the healthcare and financial sectors for business diversification allows adoption of a cross-selling strategy to reach a larger consumer base across multiple geographical markets.</p>

MYEG continues to respond proactively to the various trends and development from the external macro-operating environment. The Group has implemented a comprehensive oversight framework towards identifying risks and opportunities that could necessitate adaptations or changes to the business model.

The assessment of the external landscape is performed through a multi-capital lens, which considers how developments within the political, economic, social, technological, legal and environment (“**PESTLE**”) landscapes impact availability and access to resources, business strategies and processes and ultimately outputs and outcomes (values created).



In response to the various identified PESTLE factors impacting the MYEG business model, the Group has developed effective strategic responses towards managing potential risks factors and to leverage on emerging opportunities.

## OPERATING ENVIRONMENT

(CONT'D)

EXTERNAL FACTOR	DESCRIPTION	IMPACT ON MYEG / BUSINESS MODEL	IMPACTED CAPITALS	RISKS	OPPORTUNITIES
<b>POLITICAL / GOVERNMENTAL</b>	<p>The present political environment remains fluid, with unanticipated changes in leadership as well as the possibility of snap elections.</p> <p>This impacts much-needed decisive policy making to stimulate the economy and inject fresh impetus into the government's digitalisation agenda.</p>	<p>Uncertain public sector project flows, which affects all players in the tech sector.</p> <p>This necessitates greater focus on private sector related offerings and foreign markets.</p> <p>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 the citizens.</p>	Relationship / Social Legal	<p>Unstable market, political and economic conditions</p> <p>Non-renewal of contracts</p> <p>Loss of access to spectrum</p> <p>Lack of new business opportunities</p> <p>Political and regulatory pressure</p>	<p>The present socio-political scenario has further expedited MYEG's expansion into new markets and supported the proliferation of new products and solutions. This includes both in Malaysia as well as other operating markets.</p> <p>It also justifies the intensification of efforts to develop more commercial solutions to further reduce reliance on concession services.</p>
<b>ECONOMIC</b>	<p>The Malaysian economy faces a wide range of factors that are dampening its growth potential, including effects of the COVID-19 pandemic and global inflationary pressures</p> <p>Muted economic growth impacts consumer confidence and disposal incomes, which affects private consumption levels.</p> <p>The economy is beyond MYEG's control, but as MYEG expands beyond Malaysia, macro-economic factors such as currency issues, etc. could have an impact on overall Group performance.</p>	<p>The impact is felt in the pricing of services, especially commercial services. Services must remain affordable to the masses and therefore potential for upside is limited.</p> <p>Increased innovation, research and development are required to drive cost efficiencies across business processes and the value chain.</p>	Financial Human	<p>Unstable market, political and economic conditions</p>	<p>The present challenging economic conditions provides the launchpad for the development of new services.</p> <p>Secondly, consumers may be looking for cost savings and convenience, with many opting for services delivered through digital channels to save travel costs, time, etc.</p> <p>Present downturn also promotes overseas expansion across Southeast Asia and beyond.</p>

EXTERNAL FACTOR	DESCRIPTION	IMPACT ON MYEG / BUSINESS MODEL	IMPACTED CAPITALS	RISKS	OPPORTUNITIES
SOCIAL	<p>Changing consumer behaviour towards a greater propensity to use digital channels for business or personal transactions as well as to purchase goods and services.</p> <p>The change has also been accelerated by the COVID-19 pandemic.</p>	The growth among consumers and businesses to move online supports the launch of more digital services.	<p>Relationship / Social</p> <p>Financial</p> <p>Manufactured</p>	Failure to deliver on customer experience through lack of system optimisation and server inability to handle large influx of users	<p>As consumers continue to “live” more online, it provides additional opportunities to offer a whole range of new products.</p> <p>Tapping blockchain, MYEG can bring to market new customer oriented innovation that offer seamless lifestyle experiences.</p>
	<p>While vaccination has enabled a degree of normalcy, COVID-19 continues to affect businesses, individuals and almost all facets of everyday life.</p>	<p>Despite its debilitating impacts, the pandemic has catalysed the development of new government and commercial products.</p> <p>It has enabled MYEG to play a role combatting COVID-19. This has led to significant improvements in brand appeal and credibility, which has entrenched the Group as a tech leader and also as a responsible corporate citizen.</p>	<p>Financial</p> <p>Human</p> <p>Social</p> <p>Legal</p>	<p>Natural disasters</p> <p>Non-compliance with laws and legislation</p> <p>Health and safety status of employees and citizens</p>	The pandemic presents opportunities to further develop new customer-oriented offerings and to increase existing collaborations with governments.
TECHNOLOGICAL	<p>New and emerging technologies present opportunities as well as risks. Blockchain, Internet of Things, Industry 4.0, machine learning, AI are technologies that are reshaping the industry.</p> <p>Data security breaches as well as any attacks such as a cyber-terrorist attack or security breach also present material issues.</p>	With the pandemic at the forefront of the macro-operating environment, slow technological development and adaptation may lead to an obsolescence in MYEG's operations if the Group doesn't adequately respond.	<p>Intellectual</p> <p>Manufactured</p> <p>Natural</p>	<p>Technology performance</p> <p>Cyberthreat</p>	<p>Leading the way in developing and implementing new healthcare-related services by leveraging existing platforms, systems and government-sanctioned collaborations to reach mass distribution and usage to help in the fight against the COVID-19 pandemic.</p> <p>Existing investment into start-up companies involved in AR, block chain and other new technologies will allow MYEG to develop its expertise and knowledge base in these fields to shorten its learning curve and time to market.</p>

## OPERATING ENVIRONMENT (CONT'D)

EXTERNAL FACTOR	DESCRIPTION	IMPACT ON MYEG / BUSINESS MODEL	IMPACTED CAPITALS	RISKS	OPPORTUNITIES
<b>LEGAL</b>	Changes or the lack of pace in the regulatory sphere with rapidly evolving technologies pose a potential risk for technology players.	The formulation and implementation of policies may necessitate changes in solutions or in the delivery of solutions that could impact market and resource access, ability to source for talent and other factors.	Legal Social Human Intellectual	Non-renewal of contracts  Loss of access to spectrum  Lack of new business opportunities  Political and regulatory pressure	Continued engagement with regulatory stakeholders to ensure industry perspective is reflected in regulations.
<b>ENVIRONMENTAL</b>	Issues such as climate change and global warming can pose new challenges and risks, even to technological players.	Rising temperatures, flash floods can impact MYEG's physical presence in its operating markets.  In addition, emerging regulations could cause complications to the business model as financial and non-financial resources are diverted to address climate change regulations and issues.	Natural Financial Legal Manufactured	Political and regulatory pressure  Natural disasters  Non-compliance with laws and legislation	The Group may need to focus on energy efficiency and conservation, reduction of carbon emissions and to adopt renewable energy as part of its natural capitals.

Further information on the Group's principal, financial, business, operational and strategic risks are provided in the 'Risks and Opportunities' section of this report.

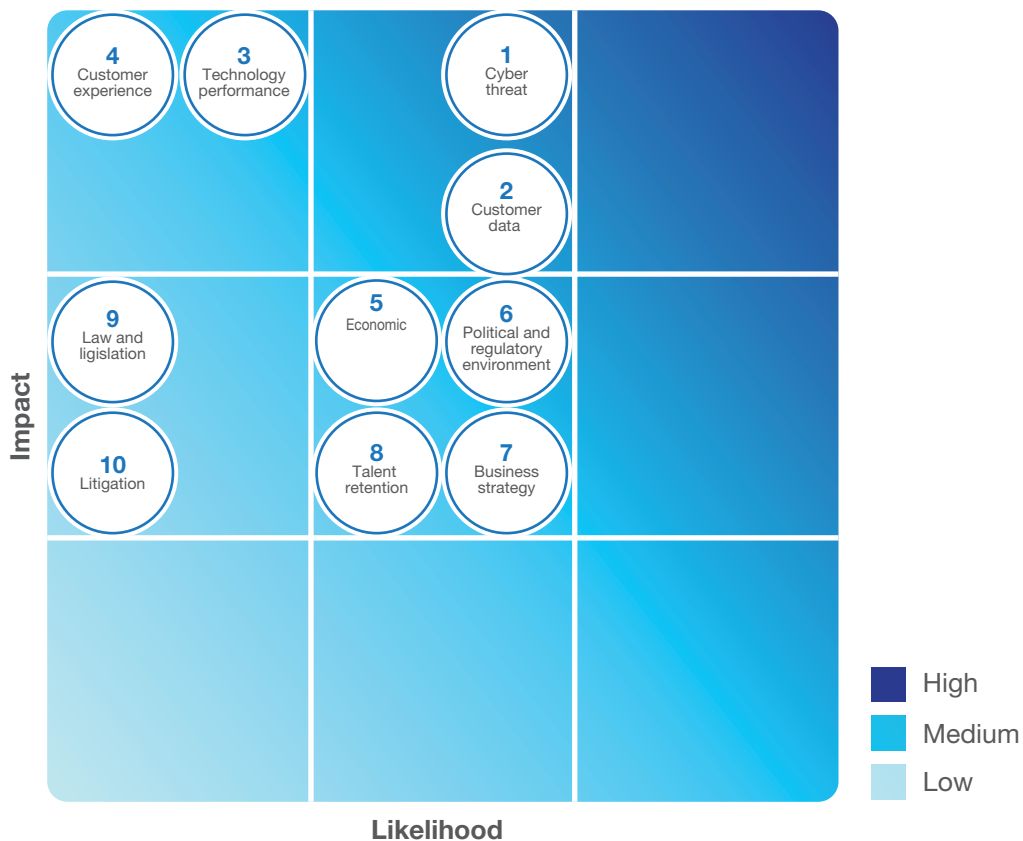


MYEG remains mindful of its business, financial, strategic and operational risks, more so in a dynamic industry where technological disruption and other changes occur rapidly. However, this rapidly evolving and disruptive environment also offers a wide range of opportunities.

Risks and opportunities are not viewed in silos, but from the perspective of the ensuing impacts on the business model itself, our value chain and business processes including ability to execute business and operational strategies.

The relationship between risks and our environmental and social material topics is also duly considered as we look to increasingly align financial and non-financial business performance for a more holistic understanding of our impacts.

**Risk Likelihood and Severity Matrix**



The Group continues to map business, operational, financial and ESG risks against material topics. Going further, the group has assessed risk impacts in terms of impacts on stakeholders rather than just impacts to MYEG alone.

Our material risk factors remain the same as with previous years.

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

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

## RISKS AND OPPORTUNITIES

(CONT'D)

Risk	Description of Risk	Linkage to Materiality	Who Does this Risk Impact? MYEG? Employees? Society? Investors?	Mitigation Action Plans
Cyber threat	<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 our Sustainability Statement
Customer data	Any breach of customer data could lead to loss of confidentiality or other issues, such as fraud, etc.	<p>Cyber security</p> <p>Customer experience</p>	Customers	Kindly refer to our Sustainability Statement
Technology performance	Technology is a double-edged sword that could allow us to gain first mover advantages; or be impacted by others.	<p>Intellectual property</p> <p>Cyber security</p> <p>Business model</p>	<p>Employees</p> <p>Investors</p>	Kindly refer to our Sustainability Statement
Customer experience	Services that are below par may lead to customer frustration and loss of future business.	Customer experience	Customers	Kindly refer to our Sustainability Statement
Economic	The economy is beyond MYEG's control, but as MYEG expands beyond Malaysia, macro-economic factors such as currency issues, etc. could have an impact on overall Group performance.	<p>Business model</p> <p>Customer experience</p>	<p>Government and regulators</p> <p>Employees</p> <p>Community and general public</p> <p>Investors</p>	Kindly refer to our Sustainability Statement
Political and regulatory environment	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 the citizens.	<p>Strong Technological and Innovation Capabilities</p> <p>Business Model</p>	<p>Customers</p> <p>Investors</p> <p>Employees</p>	Kindly refer to our Sustainability Statement

## RISKS AND OPPORTUNITIES

(CONT'D)

Risk	Description of Risk	Linkage to Materiality	Who Does this Risk Impact? MYEG? Employees? Society? Investors?	Mitigation Action Plans
Business strategy	<p>The Group has set various targets for business performance and we remain 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 Sustainability Statement
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
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
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 Sustainability Statement

## OUTLOOK AND STRATEGIC PRIORITIES

As provided in greater detail in the Management Discussion and Analysis, MYEG's outlook despite the many challenges amidst a dynamic operating environment remains positive. The flexibility and speed of its business model, supported by the robustness of the Group's inherent strengths, enable the Board and Senior Management to continue with its aspirations for value creation.

The business model enables the necessary strategic impetus to navigate the challenges and to steer a clear path towards continued business growth and success as well as delivering stakeholder satisfaction.

The onus now is to ensure the rollout of more service offerings, to acquire and utilise new technologies such as blockchain and to maintain the ability to read the pulse of the market. Further expansion into new markets also remains a priority.

MYEG will continue to serve as the bridge and enabler between governments and the public; providing accessibility, convenience and affordability that enables people to stay safe amidst the pandemic period. The following are MYEG's key strategic priorities for FY2021:

STRATEGIC PRIORITY	SPECIFIC STRATEGIES AND ACTION PLANS	IMPACT TO BUSINESS MODEL AND VALUE CREATION
<b>Spearheading the Blockchain revolution</b>	<p>Forming key partnerships with innovative technology collaborators, especially in the experienced and tech-heavy Chinese market.</p> <p>Encourage the increasing involvement of government entities in supporting blockchain platforms in more public sectors.</p> <p>Leverage our internal expertise as an e-services platform owner and developer to introduce new services in the digital assets space into our operating markets.</p>	<p>Unlock a new future-forward income stream by becoming a first-mover of blockchain services in various markets.</p> <p>Introduce disruptive innovations to the market in order to advance Malaysia's digital agenda.</p>
<b>Launch additional healthcare related services</b>	<p>Ensure the growing capacity and need for healthcare services across our markets are adequately met.</p> <p>Spearhead new developments and collaborations for new healthcare products and services to be released for public and private use.</p>	<p>Continue transforming into a healthcare-essential entity that becomes a vital part of the fight against the COVID-19 pandemic.</p> <p>Expand the ability to cross-commercialise with various other services and products already established on the platform.</p>
<b>Venture into financing solutions</b>	<p>Increase financial accessibility for consumers through various disruptive financial services and solutions, especially through the use of blockchain platforms.</p>	<p>Ensure MYEG's holistic proposition as a one-stop digital solutions provider becomes stronger with the inclusion of a whole new service segment for consumers.</p>

## OUTLOOK AND STRATEGIC PRIORITIES

(CONT'D)

STRATEGIC PRIORITY	SPECIFIC STRATEGIES AND ACTION PLANS	IMPACT TO BUSINESS MODEL AND VALUE CREATION
<b>Renewal and expansion of concession services</b>	Leverage on the existing strategic partnership with the Malaysian government to grow the number of services available on our online platforms.	<p>Solidify MYEG as the leading e-government services provider in all of its operating markets.</p> <p>Enhance our brand equity with our existing consumer base while attracting new consumer base.</p>
<b>Expansion of new businesses into new or existing geographical markets</b>	<p>Propose collaborations with new government partners in Malaysia and abroad for the development and distribution of online services. Approach shall be similar to implementation in current markets i.e. Malaysia and the Philippines.</p> <p>Identify new consumer requirements or opportunities that exist in current operating markets and new markets to fuel expansion.</p>	<p>Establish MYEG as a regional powerhouse in digital service provision beyond Malaysia.</p> <p>Create new avenues of resources to tap into such as knowledge acquisition, information sharing, and technology development to roll-out new region specific e-services as well as form unique stakeholder collaborations to capture new consumer base.</p>



# CAPITAL CONSUMED AND VALUES CREATED (OUTPUT AND OUTCOMES)

MYEG's value creation approach remains intact and has been solidified in FY2021. Given that there are no major shifts in the business model, there are no major shifts in the allocation of resources or trade-off between capitals. We will continue to measure our business performance against the perspective of capitals consumed, used and value created across a wide range of perspectives and for stakeholders.

## 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

RM1.42 billion in assets  
RM634.26 million in share capital  
RM221.87 million cash and cash equivalents at beginning of year  
RM7.05 billion in market capitalisation  
RM216.00 million raised via private placement

351,780 square feet ("sf") corporate MYEG Tower  
45,328 sf of 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

2,482 staff strength  
- 25 helpdesk staff and 21 over-the-counter staff  
- 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

# CAPITAL CONSUMED AND VALUES CREATED (OUTPUT AND OUTCOMES) (CONT'D)

## OUR VALUE CREATION PROCESS AND BUSINESS MODEL

### OUTPUTS

#### Financial Values Created

Revenue  
RM721.88 million

Profit before Tax: RM320.68 million

Cash and cash equivalents:  
RM75.82 million

#### Financial Outcomes

1.28 sen dividend per share declared for FY2021

RM3.98 million paid in income tax

Total assets of RM1.88 billion

RM698.11 million distributable retained profits

RM31.79 million paid to financiers in repayment of term loans and lease liabilities

RM160.55 million in total borrowings

Low 0.16 times gearing

#### Manufactured Values Created

Online renewal of motorcycle insurance and road tax as well as CDL

MySafeQ

MySafeTravel

MYEGuard in the Philippines

BreFence Go

Jejak in Indonesia

One-stop COVID-19 portal

BELI e-Mart (rebranded from NAK BELI platform)

MyStay foreign worker accommodation services

COVID-19 test kit in Malaysia and the Philippines

Roll-out of tax monitoring system to 30 more cities in Indonesia

#### 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 from 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.
- Provision of online finance services via MYEG Fin Tech
- New blockchain-related initiatives including MYEG Lock-Earn Wallet, NFT Pangolin and the Zetrix Layer-1 blockchain.

#### 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

2,552 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 investor analyst and investor interest in our company.

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

#### Social and Relationship Outcomes

Investment in Ximmerse for AR/ VR technology and HiSense Technology.

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

MYEG Philippines in the Philippines.

JV in Bangladesh

Entered into a title partnership of the inaugural Malaysia Esports Series 2021 organised jointly by My Events International and THQ Esports Club, and supported by the Ministry of Youth & Sports, Ministry of Higher Education and Ministry of Health.

Concession agreement extension with the Malaysian government for the provision of the electronic delivery of vehicle registration, driver and vehicle licensing services and payment of summon services.

Memorandum of Understanding with A Tech Insure Sdn. Bhd. to provide Malaysian civil servants with a platform to purchase motor vehicle takaful coverage together with road tax renewal by way of an interest-free Shariah-compliant Qard loan facility.

Cooperation with Zhifei in obtaining Malaysian Halal certification from JAKIM for the COVID-19 vaccine.

Partnership between MYEG Philippines and Family Vaccine Specialty Clinics, Inc. to develop a mobile application for the booking and payment of COVID-19 tests, along with the issuance of a digital QR code system as proof of testing.

Agency agreement on the facilitation of the collection of dues and/or payments relating to COVID-19 detection tests or/and quarantine station charges issued by the Malaysian government to the public.

Comprehensive Exclusive Distribution Agreement between MYEG Medical and Breathonix for the purpose of appointing MYEG Medical as the exclusive distributor for all market segments in Malaysia for BreFence Go for a period of 3 years commencing 22 December 2021.

Data sharing collaboration with the Department of Labour of Peninsular Malaysia Shareholders' Agreement with China's Bubi Technologies Co Ltd, Agmo Holdings Sdn Bhd, Star Jewel Capital Inc. to regulate the relationship interest of shareholders and other parties who will become shareholders of Zetrix.

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

## OVERVIEW



MYEG's values in FY2021 have remained focused on three main aspects which are ESG. This has allowed identification of certain economic and financial values for the Group.

The purpose of this sustainability statement is to thoroughly go through all sectors of MYEG's business operation and examine matters that relate to both environmental and social factors. By doing this, it enables MYEG to establish and maintain industry-standard sustainability governance throughout all segments of the business operation.

As one of the leading commercial digital service providers and being a government concession, it is crucial to display how the Group contributes to the development of society, provides equal opportunity when employing and aids in the nation-building of the market.

# FY2021 HIGHLIGHTS AND ACHIEVEMENTS

## 6 United Nations Sustainable Development Goals (“UNSDG”) adopted since 2017



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

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



### 3.3 FTSE4Good Index Score

(included in the FTSE4Good Bursa Malaysia Index since 2017)

## ECONOMIC



**RM721.88 million**  
Total Revenue



**RM320.68 million** Group Profit Before Tax  
and **RM316.71 million** Profit After Tax



**RM75.82 million**  
Cash and Bank Balances

## ENVIRONMENTAL



**36%**  
Reductions in Scope 1 and Scope 2  
Emissions Respectively



**16%**  
Reduction in  
Electricity Consumption



**491 units**  
E-waste Items  
Disposed

## SOCIAL



**2552**  
Total Employees



**581**  
New Hires



**905**  
Employees  
Received Training

**17**  
Interns  
Hired



**Zero**  
Workplace  
Fatalities



**40%**  
Female  
Employees



**RM146,409**  
Total Training  
Budget




**8,194 hours**  
Employee  
Training





**89.11%**  
Permanent  
Employees

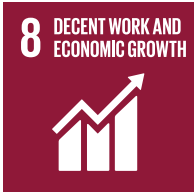

FY2021 saw MYEG continue its adaptation of UNSDGs whilst also looking to obtain the following goals as shown below. Our target to meet these goals are displayed in our achievement and highlights section and our next steps of development are also shown in this table.


The table below showcases brief descriptions of the highlights and achievements made in each adopted goal in FY2021:

UNSDG	UNSDG DESCRIPTION	GROUP ACHIEVEMENTS AND HIGHLIGHTS	UPCOMING PLANS
	Ensure healthy lives and promote well-being for all at all ages.	<p><b>The Group:</b></p> <ul style="list-style-type: none"> <li>Entered the healthcare sector through the introduction of e-services such as MySafeQ, MySafeTravel, MYEGuard, and a one-stop COVID-19 health screening portal.</li> <li>Introduced the COVID-19 breath test system as an alternative in aiding mass testing.</li> <li>Partnered with Anhui Zhifei Longcom Biopharmaceutical Co., Ltd. to help contribute to the vaccine supply for Malaysia.</li> <li>Exploring the possibility of vaccine traceability system with partner corporations.</li> <li>Continued to facilitate and invest in affordable medicine and healthcare insurance for all employees.</li> </ul> <p><b>For employees and the community, we ensured:</b></p> <ul style="list-style-type: none"> <li>Organised a blood donation campaign to promote awareness on the responsibility to help others.</li> <li>Provided posters / e-mail notifications / health tips on spreading awareness of practising self-cleanliness to better prevent COVID-19 infections.</li> <li>Compliance with legal requirements and safe work procedures related to COVID-19 prevention.</li> <li>Suitable PPE is provided to employees according to their work needs and complied with the latest SOP related to COVID-19 mitigation.</li> <li>Employees had the option to work from home ("WFH") when necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Explore potential services and systems to introduce through our platform to the public, via partnerships and collaborations.</li> <li>Encourage health-related initiatives for our employees and for corporate social responsibility ("CSR") activities.</li> <li>Provide daily or weekly health tips to all employees through e-mail.</li> <li>Maintain informational platforms that inform employees on relevant health information and self-development tips.</li> </ul>



UNSDG	UNSDG DESCRIPTION	GROUP ACHIEVEMENTS AND HIGHLIGHTS	UPCOMING PLANS
<b>5</b> GENDER EQUALITY 	Achieve gender equality and empower all women and girls.	<ul style="list-style-type: none"> <li>The Group has continued to practise fair labour recruitment practices.</li> <li>MYEG remains driven to value, stimulate and proactively foster equal opportunity in the workplace, and has worked to grant equal opportunities in leadership roles for women in the workforce.</li> <li>We continue observing zero-tolerance approach to sexual harassment and bullying by creating a safe channel for employees to report cases of ethical misconduct without being exposed or dismissed. Appropriate actions were taken to address and mitigate proven cases.</li> </ul>	<ul style="list-style-type: none"> <li>Introducing new and efficient safety measures for women in the workplace.</li> <li>Potentially enhance the accessibility our grievance mechanism.</li> <li>Ensure our female employees' full and effective participation, as well as granting equal opportunities, for leadership roles at all decision-making levels.</li> </ul>
<b>4</b> QUALITY EDUCATION 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	<ul style="list-style-type: none"> <li>MYEG conducted an internship programme for various departments.</li> <li>MYEG contributed RM548,254.04 in levy for Human Resource Development Funds.</li> <li>Provided team members with training relevant to their job-related skills and also motivational training (please refer to Talent Training and Development section for more data).</li> <li>Provided education for sustainable development by providing related training to all employees regarding this topic.</li> <li>Organised CSR-based education initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the budget for employee training and development and include more training modules to foster a more holistic workforce.</li> <li>Form relationships with government entities and higher education institutions to better align with business and CSR goals, including responsible management.</li> <li>Create 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 the delivery of education, innovative measurement tools, etc.).</li> </ul>

UNSDG	UNSDG DESCRIPTION	GROUP ACHIEVEMENTS AND HIGHLIGHTS	UPCOMING PLANS
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	<ul style="list-style-type: none"> <li>Leveraged socioeconomic trends to introduce vital services that streamline the public and government in their own activities and operations.</li> <li>Bolstered business sustainability by entering new sectors, such as healthcare and blockchain services.</li> <li>MYEG continued delivering financial and non-financial values for stakeholders. This includes growth in revenue and earnings, shareholder dividends and more.</li> <li>Indirect contributions included statutory payments to the government, employees' salaries, repayments to financiers and development of local supply chains.</li> <li>We continued to practice non-discrimination regarding employment.</li> <li>We maintained equal remuneration, including benefits, for work of equal value. We also continued to pay a living wage to our employees.</li> </ul>	<ul style="list-style-type: none"> <li>Seek potential new sectors to enter and bring more timely value to our platform and its consumers.</li> <li>Foster an entrepreneurial culture as well as invest in or mentor young entrepreneurs.</li> <li>Ensure all services and products offered continue to be maintained for efficiency and timeliness.</li> <li>Assist in propagating blockchain utilisation across operating markets, especially Malaysia, through possible governmental collaboration.</li> </ul>
 <p><b>10</b> REDUCED INEQUALITIES</p>	Reduce inequality within the workforce.	<ul style="list-style-type: none"> <li>Bolstered accessibility of healthcare and financial services through the relevant e-services to pivot MYEG as platform that aims to reduce inequality in various spaces.</li> <li>Implemented and participated in a wide range of CSR activities designed to provide socio-economic upliftment for targeted community segments.</li> <li>Continued providing balanced employment opportunities as an equal opportunity employer. This includes providing opportunities for those who have physical disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>To kickstart the government-organised PROTÉGÉ ready-to-work programme at MYEG in FY2022. The programme was in development in FY2021. This programme focuses on creating job opportunities by giving candidates on-the-job training with multiple job skills within 6 months in order to reduce inequality in candidates' skillsets.</li> <li>Reduce education inequality through maintaining and expanding education-driven CSR projects.</li> <li>Align future partnerships with charities and donation drives to better tackle timely matters such as COVID-19, flood disasters, etc.</li> </ul>

UNSDG	UNSDG DESCRIPTION	GROUP ACHIEVEMENTS AND HIGHLIGHTS	UPCOMING PLANS
		<ul style="list-style-type: none"> <li>Maintained the availability of products and services for all income levels via BELI e-Mart for 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>	
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> <li>Implemented Scope 1 and 2 carbon emissions tracking.</li> <li>Solidified the Group's holistic climate change commitments via drafting and enacting MYEG's new Statement of Commitment to Addressing Climate Change Risks and Impacts.</li> <li>Aligned climate change initiatives with various governmental and international organisations, including adopting an additional UNSDG 13 related to climate change.</li> <li>Ensuring climate change is a material topic that comes under the oversight of the Board and Senior Management.</li> </ul>	<ul style="list-style-type: none"> <li>Look into monitoring and disclosing fuel consumption data of our vehicle fleet along with the related emissions.</li> <li>Consider setting targets for emissions intensity / efficiency targets to improve related climate change impacts management.</li> <li>Potentially link remuneration to climate change and related sustainability targets.</li> <li>Explore the innovation of the tokenisation of carbon credits.</li> </ul>

## SUSTAINABILITY GOVERNANCE

Our sustainability governance is a top priority for the Group which is why it is closely monitored by MYEG's Board. With the sustainability matters being an important agenda for the Board, ESG priorities are also passed through the Board and given to Senior Management as they are in charge of developing future plans when it comes to ESG related matters.

Our governance structure is set up in such a way that it promotes the development of our sustainability strategies especially the relation between the Board and Senior Management. For instance, findings by the Senior Management are given to the Board in order for appropriate actions to be acted on which enables more efficient progress of our strategies.

When it comes to sustainability, crucial aspects such as health and safety, the environment, human rights, business ethics and many more are all considered. Due to the importance of these topics, sustainability matters are handled at the top to ensure standards are maintained and continuous improvement and development take place in this area.

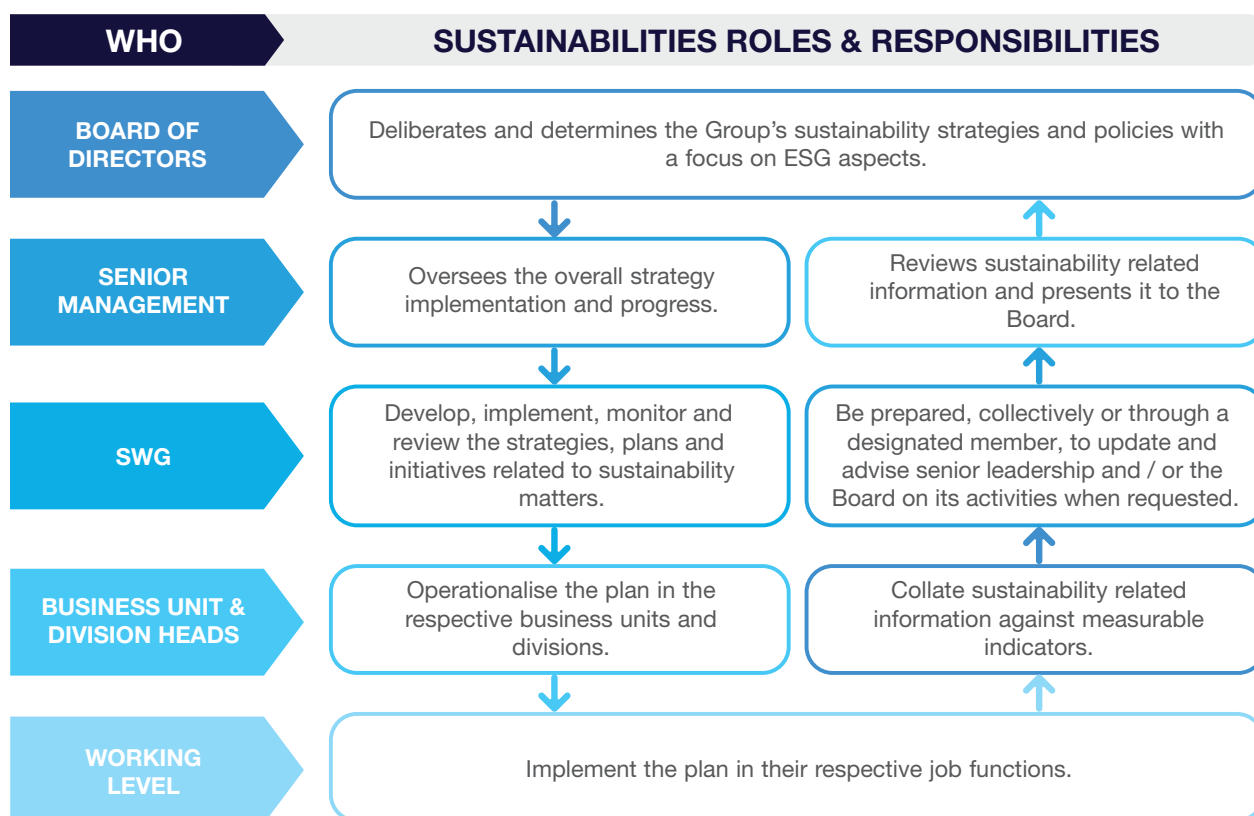
In FY2021, we further bolstered our commitment to strong governance in sustainability by establishing our SWG. The SWG composes of members drawn mainly from the Risk Management Working Group ("**RMWG**") with the addition of representatives from the Corporate Department, given the close correlation between sustainability and risk management functions at MYEG.

We 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, and we may also invite other Group employees and / or executives or any external professional advisors / consultants to participate in any meetings, if needed. Meetings occur no less than once every 3 months.

We have extensively mapped out the key responsibilities of the SWG which include:

- To ensure and enable the effective implementation of the Company's sustainability strategies and plans.
- 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 ESG 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 strategy 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, 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 ESG 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.

Here is the latest sustainability governance value chain with the SWG implemented:



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 report for more information. Our CG Report also covers detailed disclosures related to MYEG’s corporate governance and is available for download at <https://www.myeg.com.my/investor-relations/reports-presentations>.

The Group’s approach to corporate governance with and overall sustainability through an ESG framework is 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



## SUSTAINABILITY GOVERNANCE

(CONT'D)

Category	Policy
	Whistle Blowing Policy
	Risk Management Policy
	Directors and Senior Management's Remuneration Policy
	Directors Assessment Policy
	Insider Dealing Policy
	Succession Planning Policy
	Share Buy Back 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 is also committed to the rotation of its auditor-in-charge during the commencement of each audit cycle, utilising a different audit person for each cycle. Given the COVID-19 situation, auditor visits were rescheduled to ensure the health and safety of the auditor involved.

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

### RISK MANAGEMENT

Assessing risk management is necessary for MYEG to protect shareholders' investments, our own assets and other stakeholders that are involved. The RMWG which its members consist of department heads aids the RMC by helping in the overall risk management process with tasks like the assessment of key strategic and operational risks.

Any potential risks that the RMC identifies are raised to the Board as they are in charge of overseeing the risk management process at MYEG. Potential risks will then subsequently be brought up as a topic of discussion at scheduled Board meetings.

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

### STRONG ANTI-BRIBERY AND ANTI-CORRUPTION POSITION

Pursuing the policy of Anti Bribery and Anti-Corruption ("**ABAC**") has been an ongoing sustainability objective for the Group. This policy is 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 Group's management, affairs and operations.

Since the Board's approval of MYEG'S ABAC Policy, the said policy has been strictly enforced throughout a range of operating levels within MYEG. These operating levels include internal and external stakeholders such as suppliers and vendors which displays the lengths to which this policy is being implemented.

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) before approval was given. 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>.

Through the AC and RMC, the Board receives all relevant information on MYEG's ABAC agenda.

Anti-bribery and anti-corruption training are essential for the Group as the training allows for better understanding and enforcement of these policies. Leading from the top, we entrust our Board members to possess the necessary attributes to build and develop the company's ability to govern whilst maintaining a high-level of integrity simultaneously.

However, not only do our Board members receive ABAC training, but so do other members of staff at a non-senior decision-making level. Employees, Board members, Head of Departments ("HODs") and senior decision-level decision makers have all been exposed to various anti-corruption refresher courses and other training programmes throughout the year to allow them to continue performing their fiduciary and statutory duties.

In FY2021, we conducted the yearly ABAC refresher course on the online sphere (virtually), supported by digital communication platforms, as most team members were working from home. Thus not only was the course content and teachings limited through a virtual conduct, a limitation also emerged where team members who did not have internet / data connection were unable to fully participate in the course. However, we remained determined to ensure as many employees as possible underwent the yearly 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>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>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>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 and highlight the importance of their role in preventing bribery and corruption.</li> </ul>

We target to conduct physical training sessions on ABAC Policy and awareness in the Group in FY2022.

All our staff are required to sign a Code of Conduct Acknowledgement and Declaration form. Anyone who is found breaching the codes will be reprimanded accordingly.

Throughout FY2021, more ABAC Policy trainings have been carried out especially for new employees joining the Group. This training will be included in the induction programme and orientation as it ensures all our staff, whether new or old are familiar with our ABAC Policy. Anti-corruption courses will be continuously provided throughout the year.

MYEG takes its ABAC Policy very seriously which is why these measures are taken to improve the Groups initiative when it comes to this topic. In order to spread awareness about our policies, various mediums are used such as social media, our Employee-Self-Service ("ESS") portal, employee handbooks and manuals, meetings, e-mails, HOD reminders as well as many more. More on the company's anti-corruption policies can be found on the company's website.

## SUSTAINABILITY GOVERNANCE

(CONT'D)

The goal for MYEG in spreading this awareness in the first place is to prevent any illegal acts from ever occurring. MYEG wants to put all employers and Board members in a position where they can easily identify potentially corrupt acts and flag it as a potential threat. This can be done through the Group's whistleblowing and grievance mechanisms which makes it easier to alert management through the proper channels.

To encourage our staff and keep them constantly aware about our stance on corruption and bribery, our HODs will be reminding employees about the disciplinary actions that could be brought upon them if they fail to comply.

Certain departments in the organisation have been deemed more susceptible to corruption risks. These are those that deal with or have direct contact with customers, agents, suppliers, business partners, and authorities. These identified departments are:

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

Due to the higher risk of our procurement and logistics personnel, they have to go through internal assessments and are required to sign a document to signify their acknowledgement of our ABAC Policy. These assessments also allowed the Group to thoroughly evaluate, and subsequently rectify, any procedural gaps regarding anti-corruption framework implementation within the organisation. In FY2021, we updated our risk assessment for high-risk departments, which is reported quarterly to the RMC.

We continue to maintain that MYEG is an apolitical organisation. MYEG also, has not, and will not, condone any form of corruption. In FY2021, there were a total of zero policy breaches at MYEG.

### GOVERNANCE IN SUPPLY CHAIN COMPLIANCE

When it comes to removing any aspect of corruption, MYEG not only has to focus on their own employees, but attention has to be paid to all participants of the supply chain. Our Code of Business Ethics ("**Code**") 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, consultant, contractors, agents, and any third party performing service for or on behalf of the Group.

The Code covers all relevant aspects of ethical conduct such as anti-bribery and anti-corruption, anti-money laundering and anti-terrorism financing, the preservation of environmental quality, and human rights and labour practices. All business associates are required to complete and sign a Code of Business Ethics - acknowledgement and declaration form to demonstrate their agreement to comply with the Group's policies.

MYEG has certain safeguards in place that further reinforces our ABAC policy. For instance, we have a Vendor Evaluation Committee established which 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 has periodic audits made on chain partners and anyone within the chain who is found not complying with our 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 being attached with an official copy of our ABAC Policy. Acknowledgement of this document is a must since it is vital for our business partners to pledge against corrupted practices as it helps maintain good corporate governance within MYEG. Our tender process also involves us visiting our vendors' business premises, when it is necessary and feasible to do so.

When talking about corrupt practices, there is a wide range of different acts that fall under this category. 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. Our policies also address 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, energy use, climate change impacts, water use, waste management and notable environmental issues.

The Group holds a firm stance on our ABAC policy and there is no excuse for non-compliance as all participants in our supply chain have been briefed and have knowledge of our policies. Therefore, any breach of our policies will be subject to the appropriate consequences and actions being taken.

## IDENTIFICATION OF HIGH-RISK SUPPLIERS

MYEG has identified top-ranking high-risk suppliers 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.

The Group annually conducts Vendor Performance Evaluation on suppliers with a purchasing value that contributes 80% or more of annual purchases. We do this to ensure the consistent supply from major suppliers and the overall supply chain continues smoothly and with integrity.

We evaluate suppliers in terms of 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.

Obtaining the most competitive price is done through a price comparison exercise as it allows us to compare and contrast the different prices available on the market. To further ensure the price obtained is the most cost-efficient, purchases go through multiple levels of approval from Management before approval.

In addition to continuing our Vendor Performance Evaluation on an annual basis, MYEG is also closely monitoring its stock level by reviewing stock reports on a weekly basis and are constantly on standby to buffer its stock. We are also working on expanding our sourcing strategy in order to source for 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.

However, as the COVID-19 pandemic in the country continued from FY2020 into FY2021, most of our suppliers' operations remained interrupted. Thus, we were still unable to carry out an adequate physical audit on-site due to the announcement of the Movement Control Order ("MCO"), Conditional Movement Control Order ("CMCO") or Recovery Movement Control Order ("RMCO") by the government.

Nevertheless, as mentioned previously, we still managed to continue conducting our annual Vendor Performance Evaluation on top-ranking suppliers and regular-purchase suppliers, in place of supplier audits. We evaluated the performances of suppliers that contributed 80% or more of annual purchases.

With nation-wide lockdowns now easing and most of the population already fully vaccinated, we aim to safely and effectively carry out extensive audits on our suppliers in FY2022.

## DUE DILIGENCE ON NEW AND EXISTING SUPPLIERS

We are always practicing due diligence on new and existing suppliers. MYEG ensures that all new vendors are registered via the New Vendor Registration form and that they declare their compliance to ABAC standards. This standard of due diligence is practised regularly to ensure our suppliers comply with our regulations.

Furthermore, on ABAC compliance, we also brief, exercise and seek vendor's clear acknowledgment and commitment to comply with our ABAC Policy. Vendors who are non-compliant will be immediately phased out of our supply chain.

## SUSTAINABILITY GOVERNANCE

(CONT'D)

The Group also evaluates potential vendors' financial background from their financial report and / or annual report to identify their financial strength and capabilities. In addition, we survey the vendors' customer references or past project track records to garner a more holistic view of their business operations.

### SUPPLIERS' ESG PERFORMANCE

MYEG ensures that its new and existing suppliers meets the Group's standards of ESG compliance and performance. This is enforced through the Code of Business Ethics – which suppliers are required to sign and acknowledge as confirmation of having understood and agreed to comply with the relevant environment and social policies of the Group, such as policies on child labour, forced labour, ABAC Policy, OSH Policy, minimum wage, gender and racial non-discrimination, equal opportunity, labour laws in working hours, energy usage, and waste management, among others.

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 for suppliers 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**"), International Organisation for Standardisation ("**ISO**") and 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 ("**CCM**") forms.

When the overall health situation permits, the Group plans to conduct visits to vendors' business premises.

### 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 the Group and comply with our requirements.

The persistent COVID-19 pandemic impact from FY2020 had continued to prevent us from performing any physical inspection audits in FY2021, given that the majority of suppliers shut down their operations during the MCO and that it was deemed unsafe to conduct physical visits in view of the pandemic situation.

Nevertheless, we substituted the lack of physical inspection audits with our annual Vendor Performance Evaluation form so that some manner of a supplier audit was still carried out in FY2021. We aim to safely conduct physical inspection audits in FY2022 since the COVID-19 situation has since stabilised and most people have been fully vaccinated.

### REGULATORY COMPLIANCE

MYEG was not fined or censured by regulatory authorities for any environmental non-compliance and social non-compliance in FY2021. MYEG also had no fines, penalties or financial settlements related to corporate governance and anti-corruption non-compliance in FY2021.



Here at MYEG, we understand the value of our stakeholders which is why stakeholder engagement is such a high priority for the Group. MYEG has a wide variety of different stakeholders that we need to account for and all of them do have the potential to impact MYEG as a company.

FY2021 was another year where engagement of stakeholders continued through a variety of mediums. The recent adaptation to a digital environment has become necessary for many businesses during the pandemic and MYEG has focused on this by devoting resources and making necessary updates to our online platforms and websites.

Our website is regularly updated with the latest news, corporate announcements, financial results, press releases and Board changes in relation to MYEG. This is done to ensure that our stakeholders are able to access the latest information regarding MYEG.

We were unable to conduct our Customers Satisfaction Survey in FY2021 due to the uncertainty in our operating hours, logistical difficulties and unusual surge in customer traffic brought about by the COVID-19 pandemic. We however do aim to conduct it in FY2022 barring any unforeseen circumstances.

Our stakeholder engagement table remains unaffected from FY2020 (although as mentioned earlier, the channel of engagement may vary due to the pandemic):

Stakeholder Group	Level of Engagement	Forms of Engagement	Issues of Concern	Outcome Achieved
<b>Government 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 services requirements  Discussions with regulatory authorities  Participation in government and regulatory events	Renewal of e-government service concession  Change in legislation  Approval of permits	We have 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 and identified areas of improvement leading to improved customer satisfaction.



## STAKEHOLDER ENGAGEMENT

(CONT'D)

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 governments we serve are 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 have 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 have implemented multiple policies and codes to properly govern our dealings with third-party intermediaries, which has bolstered clean and transparent governance and business conduct among our suppliers and vendors.

When looking at materiality matters, this is typically referring to events that bear both direct and indirect impact of MYEG'S values and considers it from an economic, environmental and social perspective ("EES"). These EES come into play during identification of material matters by the Board since aspects such as risk assessment and stakeholder engagement are categorised using EES.

Materiality matters can potentially affect MYEG's ability to remain sustainable. Due to this, we have to prioritise certain matters with a strategic mindset and understand certain matters carry more importance than others. Prioritisation is necessary and more efficient in this case.

Our list of material topics continues to be unchanged from the previous year, as the pandemic's persistence in FY2021 impeded the Group's abilities to explore new material topics. Thus, the Group had resolved to focus on already-established materiality matters that the Group has continuously strived to make headway in.

Stakeholder engagement remains a crucial aspect when it comes to the approach we take in identifying and addressing materiality topics. Throughout our addresses on these topics, it is clear that stakeholder engagement remains a top priority for MYEG.

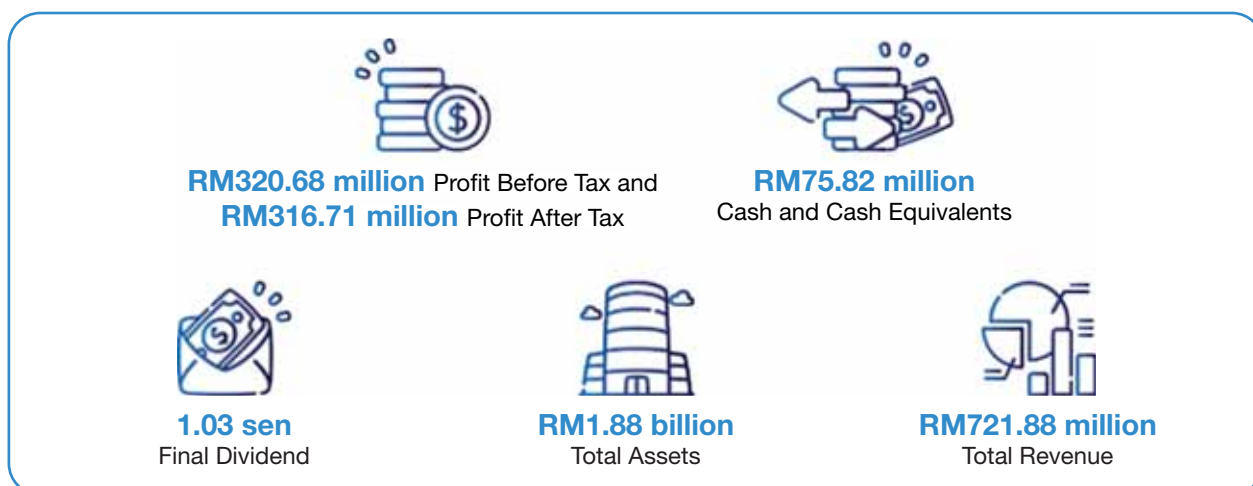
## ECONOMIC

### DIRECT ECONOMIC VALUE CREATED

During FY2021, there had been signs of improvement in terms of how the COVID-19 pandemic was being dealt with. The economy itself is going through a rebound phase and MYEG has been able to prosper despite not being too badly affected the previous year.

Our healthcare-related services have continued to be used extensively and our commercial services have also been in demand. An improved financial and operational performance in FY2021 are the results of this.

Kindly refer to the Management Discussion and Analysis section of this report for specific details on business and financial performance. Below are some of our direct economic values created in FY2021:



### INDIRECT ECONOMIC VALUE CREATED

This year, the challenges caused by the COVID-19 pandemic has persisted, yet MYEG has continued to prioritise its returns to stakeholders. Please refer to the Statement of Value Added Distribution and Simplified Financial Statement section of this report for detailed information on the indirect values created and distributed.

### CYBER SECURITY

As previously mentioned, the increased reliance on the digital world has been accelerated by the COVID-19 pandemic especially with SOPs such as social distancing and limited capacities being in place. MYEG has understood this and we proactively developed our digital segments to accommodate for this. In doing so, it also means that more focus has to be given to cyber security due to the increased risk of cyber threats.

Due to the nature of business that MYEG is involved in such as being an e-government and commercial service provider, cyber threats have to be taken extremely seriously. Given how much potential damage and disruption they can cause to our brand image, financials and public/stakeholder relation, it is necessary 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 us to expand on our 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.

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.



## MYEG's IT Security Protocols and Practices:

 <p>Data transmitted through our networks is encrypted using the latest encryption technologies to ensure confidentiality.</p>	 <p>Adherence to Payment Card Industry Data Security Standard in the handling of credit card information for our e-services transactions.</p>	 <p>Regular audit and penetration test to ensure the robustness of the entire IT infrastructure.</p>
 <p>Websites and social media portals with high risks in cyber security are restricted to prevent malicious attacks via the exploitation of vulnerabilities.</p>	 <p>Constant training is provided to employees to ensure that employees are aware of the security standards that we need to adhere to.</p>	 <p>The use of external hardware appliances such as thumb drives and other media are also restricted within MYEG premises.</p>
 <p>Regulations, standard operating procedures and enforceable regulations for use of corporate systems, confidential data, email, mobile devices and passwords.</p>	 <p>Compliance with PDPA in dealing with personal information collected in the course of commercial transactions.</p>	 <p>Deployment of firewalls, antivirus and antimalware systems, access management systems and vulnerability systems throughout the entire IT infrastructure.</p>

Building on from the previous year, MYEG has continuously sought ways to improve security by updating our IT policy and procedures to be in compliance with the ISO / IEC 27001 Information Security Management System and NIST Cybersecurity Framework. The Group is also in full compliance with the Malaysia's Personal Data Protection Act ("PDPA"). We are currently not a member of the Global Network Initiative.

By having these safeguards in place, it reduces the chance of MYEG being exposed to a future cyberattack whilst also preparing us in case one does occur through a united front.

No data breaches or framework non-compliances occurred during the year under review.

## BUSINESS MODEL

### GOVERNMENT CONCESSIONAIRE

The ongoing changes that occur in politics, whether it be involving a change of parties in power or government policies themselves, does impact 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 and has other services which include healthcare and commercial sectors.

Political changes and decisions are not something that MYEG can determine but focusing on our healthcare and commercial sectors are aspects that are under our control. Especially during the COVID-19 pandemic, the Group has launched a variety of healthcare related services on behalf of its government partners as an attempt to provide aid during this troubling period.

FY2021 has foreseen developments for both healthcare and commercial services and more can be found in our Management Discussion and Analysis section of this report.

## MATERIALITY MATTERS

(CONT'D)

Despite the lack of certainty surrounding government and political inclination, the Group continues to adopt measures to mitigate all risks arising from this material topic. The following measures have therefore been put in place through the years and maintained in FY2021:

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 page 73 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 80 for more information on our IP);

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 79 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).



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

We are driven to continue lending our industry expertise and organisational resources to aid our government partners in controlling the spread of the COVID-19 virus and safeguarding the welfare of their citizens.

## ETHICAL WORK CONDUCT AND POLICY

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

Code of Conduct	Defines the expected ethical conduct of MYEG's employees and intermediaries and business associates based on the Group's core values and principles of integrity and responsibility.
Code of Ethics	
Code of Business Ethics	
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 the 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 AC. Either an internal auditor or an appointed third-party investigator will subsequently investigate the whistleblowing reports. The Group's AC also ensures whistle-blowing channels remain open and accessible at all times.</p>

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



## INTELLECTUAL PROPERTY

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 of demand, is what MYEG thrives at doing.

The ongoing COVID-19 pandemic is an area that MYEG has focused on by developing and improving products and services that help deal with the situation. This is just an example of how instant our response was to dealing with a sudden change and displays our ability to adapt to circumstances.

More importantly, we continued to maintain our existing IPs and trademarks in the face of increasingly volatile market trends in order to safeguard our unique brand proposition among stiff competition.

In fact, we have leveraged on existing IPs, technology and registered trademarks in order to respond proactively to the many issues brought on by the COVID-19 pandemic, particularly in the healthcare sector.

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 Fourth Industrial Revolution (IR 4.0).</p> <p>Focussing 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 entered into a title partnership of the inaugural MES 2021, organised jointly by My Events International and THQ Esports Club, and supported by the Ministry of Youth &amp; Sports, Ministry of Higher Education and Ministry of Health.</p> <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>Trademarks registered and IPs patented in FY2019 and before have been carefully maintained, safeguarded and utilised throughout FY2021. These included 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 entered into a Comprehensive Exclusive Distribution Agreement with Singapore's Breathonix for the purpose of appointing MYEG Medical as 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 entered into a MOU of Strategic Cooperation with the Institute of Industrial Internet and Internet of Things of the China Academy of Information and Communications Technology, to establish an international extension of China's Xinghuo BIF, by introducing backbone and supernodes outside China to be known as Zetrix.</p> <p>MYEG received JPJ's approval to kickstart POC to set up an e-testing which aims to help better assess the competencies of candidates undergoing the Drivers' Learning Education Curriculum.</p>	

## CUSTOMER EXPERIENCE AND SATISFACTION

In order to fully meet the demands and needs of our customers, the use of BDA have been called upon to fully understand and engage with our customers accordingly. Maintaining a high customer satisfaction experience is important for us at MYEG and achieving a high customer benchmark score will display this.

Constantly improving our platforms and services will help achieve this as it allows customers to use our products and services with ease.

Unfortunately, the COVID-19 pandemic has proved to be a challenge to our customer service response rates and delivery times since there have been an increased number of calls due to the lockdowns that have occurred. This led to MYEG receiving increased live chats, phone calls and e-mail queries.

## MATERIALITY MATTERS

(CONT'D)

All channels continue to be utilised more on ensuring the customers inquiries, escalations and complaints are handled urgently. As COVID-19 vaccinations have officially rolled out throughout the country since FY2021, we hope to bolster our already robust customer experience performance in all areas as well as achieve current and new customer experience targets.

Over-The-Counter Highlights			
		2021	2020
IMMIGRATION COUNTER	Average Monthly Tickets Served	912.1 tickets	1,516 tickets
	Average Serving Time Per Customer	11:12 minutes	10:06 minutes
	Fastest Serving Time Per Customer	9:19 minutes (August 2021)	4:59 minutes (February 2020)
ROAD TAX COUNTER	Average Monthly Tickets Served	307.7 tickets	705 tickets
	Average Serving Time Per Customer	7:05 minutes	7:46 minutes
	Fastest Serving Time Per Customer	5:02 minutes (March 2021)	4:35 minutes (November 2020)



In FY2021, we experienced a low number of customers served because we withheld over-the-counter self-collection of road taxes and maid permits due to safety concerns over the pandemic. Apart from that, physical counters were closed from June 2021 until August 2021 due to the MCO. We managed this disruption to counter services by instituting a rotational working arrangement to reduce number of employees on site.

In regards to our average serving times and fastest serving times, as we experienced an increased number of transactions during FY2021 and longer processing times, we are aware of the need for our customer service counters to be more attentive with the matters brought up by customers.

This objective has been notably hindered as customer-facing services still faced a major health risk due to the COVID-19 pandemic. However, we already had in place stipulated SOPs to manage the pandemic which included reduced number of customers entering the premises at one time as well as clear signage to increase customer awareness on our infection prevention measures.

Our target is to improve customer satisfaction when it comes to our serving times. This is why we always provide a non-compulsory feedback form at our counters to garner insights on our customer services provision. We endeavour to better measure, maintain and enhance our customer service best practices and targets in the future, as currently we could not measure target achievement in serving times due to our focus being more on resolving a customer's issue urgently.

## Customer Service Personnel Highlights

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

\*Live Chat halted in March 2021.

The number of staff for our customer service counters and help desk increased in FY2021 as due to the expansion on services offered. We therefore needed to increase our capacity to handle this increased number of queries from this expansion.

We maintain sufficient capacity in our customer service workforce, we target to review our manpower arrangement for FY2022, which includes increasing the number of customer service staff again. We aim to achieve this by reviewing the current SOPs and our organisational chart to analyse the areas in which we can raise our customer service personnel capacity.

While the COVID-19 pandemic continued to complicate our handling of customer service personnel, we mitigated these complexities by adhering to our Human Resource (“HR”) Policy pertaining to social distancing as well as established stringent support hours, which was reduced from 9am to 7pm, to 9am to 6pm.

## Phone Call Queries Highlights

		2021	2020
	<b>IMMIGRATION</b>		
	Average Call Answered Rate	67%	92%
	Highest Call Answered Rate	96%	93%
	<b>ROAD TAX</b>		
	Average Call Answered Rate	57%	92%
	Highest Call Answered Rate	97%	93%
	<b>MYSAFETRAVEL</b>		
	Average Call Answered Rate	90%	87%
	Highest Call Answered Rate	96%	87%

Our immigration sector experienced a low average rate of calls answered since inquiries in this sector took a longer time to be resolved.

For phone calls in the road tax sector, most customer service resources were channelled to support JPJ services. However, the number of phone calls spiked during the festive season, as well as following the announcement of road tax renewals being made compulsory by 1 September 2021. At the time of the announcement, there were no other means of renewing road tax due to closed counters. Therefore, the rate of customer transactions was high which caused delays in delivery and subsequently led to a surge in the number of customers calling us.

## MATERIALITY MATTERS

(CONT'D)

Our target for immigration and road tax phone calls was to maintain FY2020's average rate of phone calls answered which was 90% and above.

We hope to increase our manpower capacity and upgrade our customer experience call system to better improve our average calls answered rate. We aim to measure the success rate of achieving this target via daily, weekly and monthly report reviews.

The COVID-19 pandemic significantly increased the average number of phone call transactions. However, we implemented the same solution for this situation as it we did for our customer personnel by implementing strict social distancing and limited support hours from 9am to 7pm to 9am to 6pm.

Similarly, in regards to the highest rate of phone calls answered, the increased rates experienced in FY2021 compared to FY2020 across immigration, road tax and MySafeTravel sectors were due to the relocation of customer service agents from the live chat team to the phone call team to cater to the high volume of phone call transactions, as our live chat service was discontinued in March 2021. By doing this, we also handled the high volume of calls experienced due to the pandemic through arranging the support needed based on the most impacted customer service channel.

We aim to maintain this target of 90% and above for the highest rate of phone calls answered calls, and thus we will review the requirement to add more agents or the process flow to reduce attention time taken for each call. Daily, weekly and monthly report reviews will be carried out to monitor our performance towards achieving our target.

Despite a strong average live chat response rate in the first 3 months of FY2021, our live chat communication option was discontinued in March 2021. We have set a target to resume our live chat assistance in FY2022, even as we had to initially focus resources to more on the increased responses times from the e-mail communication channel. Daily, weekly and monthly report reviews will be carried out to monitor our performance towards achieving this target.

### Live Chat Highlights



	2021	2020
<b>Average Live Chat Response Rate</b>	<b>82%*</b>	64%
<b>Highest Live Chat Response Rate</b>	<b>89%</b>	93%

*\*Live Chat halted in March 2021.*

### CUSTOMER SERVICE TRAINING

Due to the pandemic, no physical training sessions were arranged due to the high volume of transactions on our non-physical communication channels. However, we promoted multitasking in our customer service counter team by re-assigning them to assist in handling MySafeTravel inquiries via e-mails during the closure of the physical counters.

While it was a unique challenge to transition from on-site training to digital training sessions, we managed to familiarise the trainer and support team with digital communication platforms so that our online training sessions were carried out smoothly.

In FY2022, we target to have a more organised training schedule to ensure new or existing customer service agents are updated with the latest information and skills on customer experience and MYEG's newer products and services. We will constantly review the process flow and SOPs of our customer service training sessions to ensure the right abilities, skills and information are conveyed in meaningful training initiatives.

### CUSTOMER SATISFACTION SURVEY

To keep track on how our customers experience has been using our products and services, a customer satisfaction survey has been created in order to give us more accurate feedback. In addition to this, we also have an improved complaint procedure in place to display areas where our customers feel we can improve on.

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.

In FY2021, we primarily gathered feedback on our live chat service for the span of the three months it was running, before it got halted in March 2021. In FY2022, we target to have a customer feedback / satisfaction survey for every customer service channel under MYEG.

We will continue to utilise the previous manual feedback form to ensure the usual metrics to measure and analyse the feedback given is still available for us to use. However, we do understand that there are limitations that come with using the manual feedback form, as it was unable to be distributed due to the limitations and closure of our counter operations during some periods in FY2021.

In lieu of this, we plan to update our e-mail and live chat systems in order to better digitalise the feedback channels there.

Overall, we target to improve on our customer satisfaction performance since the continuance of MySafeTravel and the introduction of MySafeQ would augur a larger and more dedicated customer service personnel group to be considered, as well as the number of current support structures may also be considered insufficient.

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



## ENVIRONMENTAL

### CLIMATE CHANGE AND EMISSIONS

MYEG is cognisant of the issue of climate change which has become a material topic of significant concern in recent years, due to the extent of its impacts on the environment, community and other stakeholders. The Board and Senior Management acknowledge the increasing risks posed by climate change, with the Board having key oversight on this material topic. MYEG is committed to reducing the climate change's potential and actual impacts and therefore we are determined to continue stringently managing our environmental footprint, in particular the Group's consumption of electricity and production of emissions. Beyond the increasing global movement for climate change, our commitment to addressing climate change is also aligned to the following:

- United Nations Sustainability Development Goal 13: Climate Action
- Bank Negara Malaysia: Climate Change and Principle-based Taxonomy
- Global Compact Malaysia (MyClimate Action Guide)
- Malaysian Government's National Policy on Climate Change

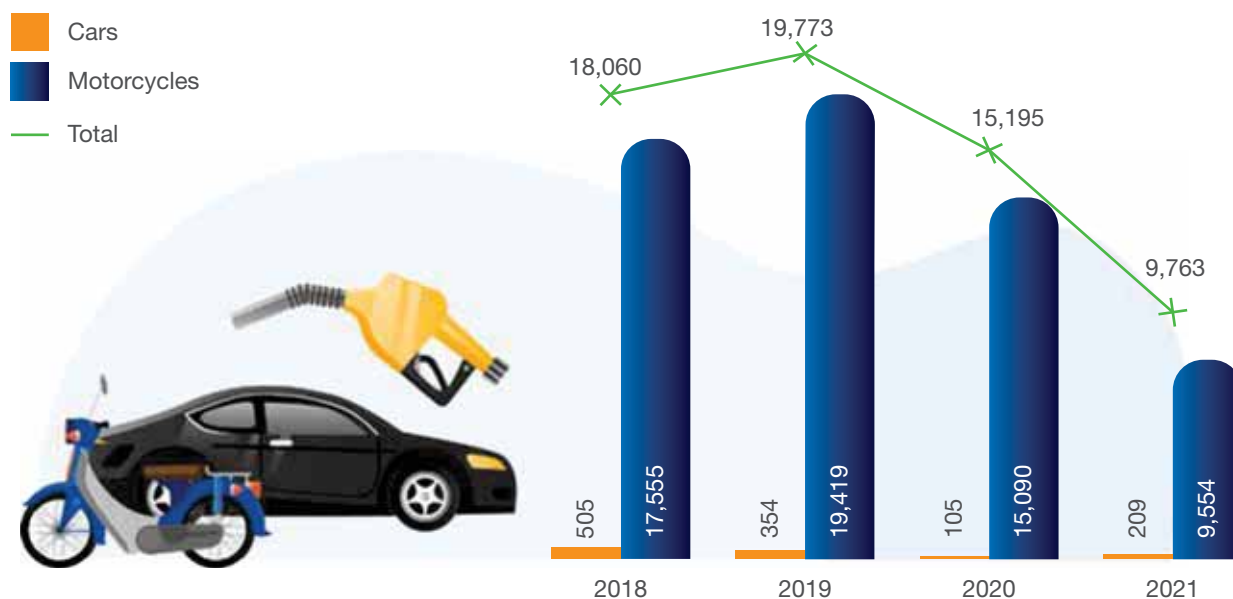
Due to the office environment that MYEG operates in as a technological service provider, there is limited effect on biodiversity and climate change. For instance, we encourage and apply the use of video conferencing and virtual calls for meetings, discussions, AGM and EGM which significantly reduces our carbon emissions since it reduces commuting while also saving time.

Despite this, the Board will remain determined to assess how it can positively contribute to biodiversity, climate change and manage water consumption more effectively.

We are focused on our carbon footprint derived primarily from our office's operations as well as energy and fuel consumption by the Group. We will always consider how our actions may have an impact on the environment as a whole. The topic of climate change is an area that MYEG takes very seriously and any action that can contribute towards this fight will be taken.

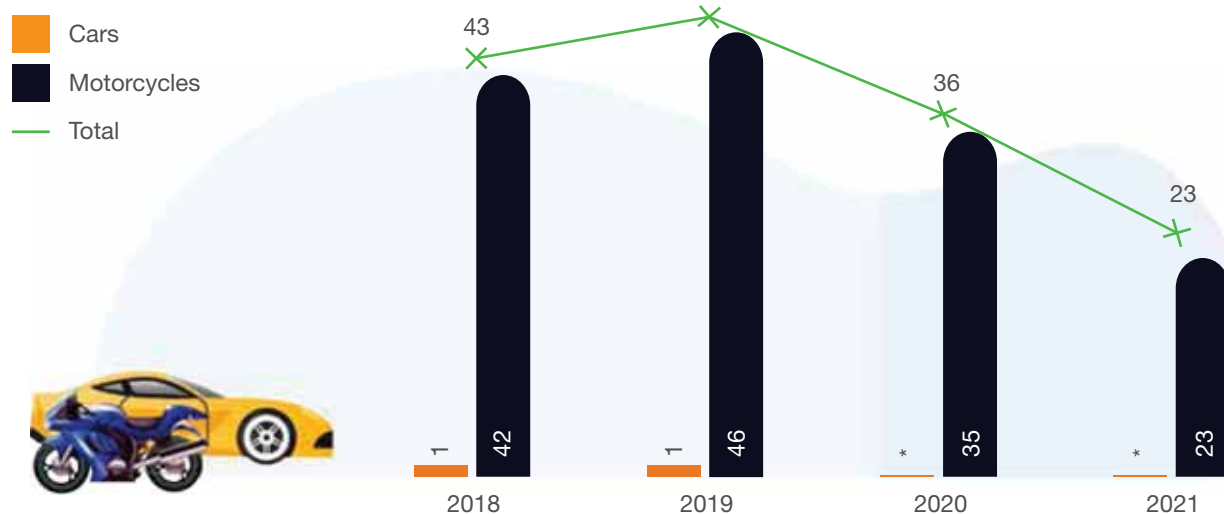
In lieu of this, MYEG closely monitors and discloses data on fuel consumption of its vehicle fleet (shown in the below graph) as well as electricity consumption (which can be found in the Electricity Consumption section of this report):

### Petrol Consumption (Litres)

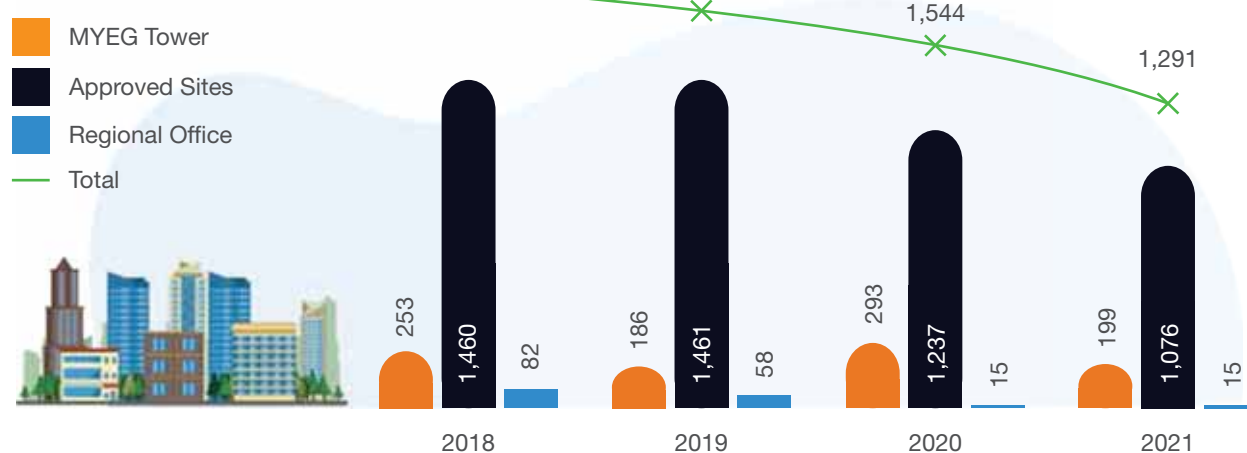


Our emissions data is measured based on the Group's fuel and electricity consumed from the grid (Scope 1 and Scope 2 emissions respectively), shown below:

## Scope One Emissions (tonnes CO<sub>2</sub>)



## Scope Two Emissions (tonnes CO<sub>2</sub>)



In FY2021, we experienced year-on-year reductions in Scope 1 emissions (36.69% reduction from FY2020) and Scope 2 emissions (16.41% reduction from FY2020) which marks MYEG's continued positive progress towards its goal to reduce its emissions.

## MATERIALITY MATTERS

(CONT'D)

In the future, we hope to include emissions intensity data as a measure against revenues. In addition, the Group is looking into the feasibility of purchasing carbon credits to offset emissions towards achieving a carbon neutral status, which may also include leveraging on blockchain technologies to contribute towards the long-term development of carbon credit markets in the region. Potential innovations of tokenising carbon credits may also be looked at, as this approach would hopefully enable smaller to mid-sized firms to also participate in carbon credit mechanisms, instead of only large-scale corporations.

The Board is also considering setting targets for emissions intensity / efficiency to better manage climate change-related impacts. The Board may also consider linking remuneration to the achievement of climate change and other sustainability targets for further incentive-based remunerations to drive sustainability achievements.

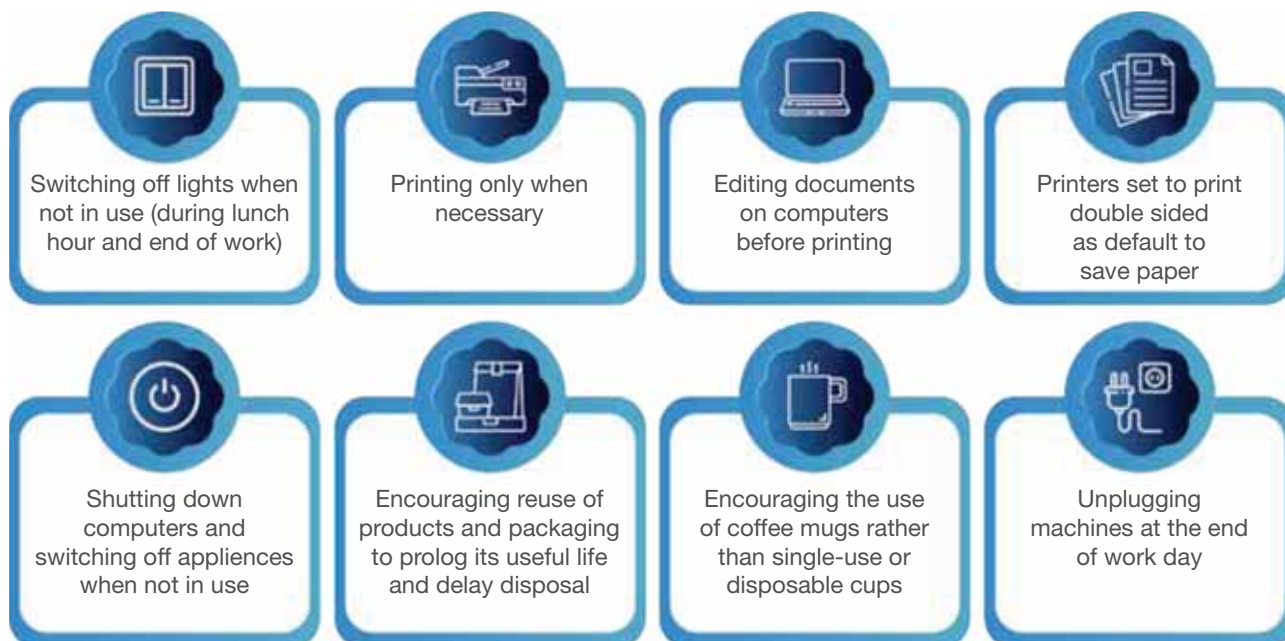
While the Group has not participated in industry initiatives or collaborative efforts related to the environment or climate change so far, it plans to do so in the near future.

### ENVIRONMENTAL FOOTPRINT MANAGEMENT

The Environmental Policy we have established has the aim of reducing our impact on the environment whilst also making the most out of the resources available to us in an environmentally friendly method. To display this, there is Environmental Policy together with Waste Management and Recycling Statement established.

In addition, these policies help give a better understanding to both our own employees and any external stakeholders we have. Our full Environmental Policy together with Waste Management and Recycling Statement can be downloaded at <https://www.myeg.com.my/investor-relations/governance>.

The policy has been cascaded across our entire organisation, beginning at MYEG Tower to set best practices standards. These policy measures consist of:



As mentioned earlier, energy consumption in the office should remain the main focus of our policies due to the heavy usage of computers by MYEG. That would explain why many of our policies and initiatives are targeted at office equipment and their impact on the environment.

However, this is not to say that it is our only focus as aspects such as waste management, climate change, renewable energy and water consumption are also considered by the Board. These are reinforced within staff inductions and reminders with hopes that awareness on our policies is spread throughout the company.

A way MYEG can be seen helping the environment is by reducing the carbon footprint of others through the usage of MYEG's services. By being an e-service provider, customers would mainly need to be online to use our products or services. As this is the case, physical presence is not required and this means less travelling and reduced carbon emissions from transport. Usage of MYEG's services promote positive changes to the environment.

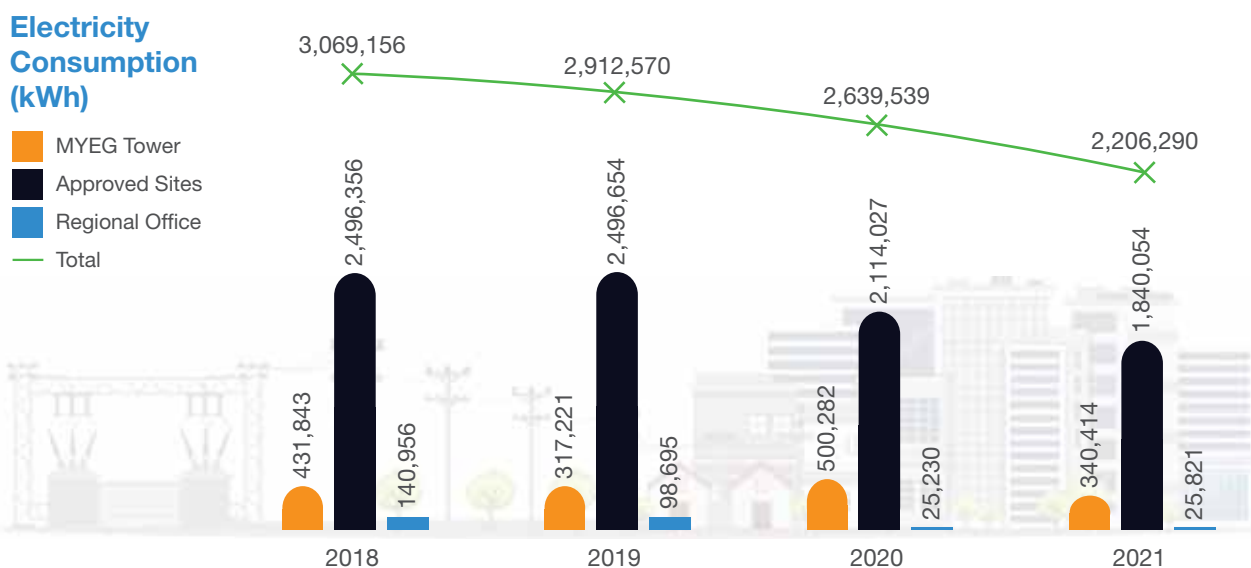
## ELECTRICITY CONSUMPTION

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.

At MYEG, we continue to incorporate energy efficient solutions into our working environment and value chain to manage our electricity consumption. MYEG is structured in a way that excessive energy consumption does not occur which avoids excessive carbon emissions from being produced.

The use of natural light and other energy saving methods have helped minimise our environmental footprint whilst also improving cost efficiencies. 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. We also replaced our office lighting with LED-based variants. In FY2021, our total electricity consumption was 2,206,290 kWh which is a reduction by 16.41% compared to our FY2020 electricity consumption.

Our electricity consumption data is as shown below:



In pursuit of building a comprehensive approach to better manage energy consumption, we are also studying the feasibility of adopting an energy management system, or energy efficiency standards, suitable for our industry and business model.

### RENEWABLE ENERGY

MYEG has looked into various ways we can potentially make use of renewable energy that is available whilst also reducing its climate related impacts. For example, steps can be taken to look into how the electricity used by our computers could potentially be generated from a renewable resource. Potentially we can also observe feasibility of using solar panels to generate light for offices as they are placed outside the building.

By doing this, it is a step in the right direction in terms of sustainability for the Group and we hope we can establish this renewable source of energy in the close future. This would reduce our overall carbon emission and is only one of many renewable options available to the Group and more research will be dedicated to its development.

### WATER CONSUMPTION

Water is primarily consumed at MYEG office spaces. We understand the great importance to monitor and mitigate our water consumption as part of our ESG-driven commitment towards sustainability.

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

On an individual and focused level, employees are periodically reminded to turn off water-based appliances after usage, in addition to receiving strong awareness on the importance of saving water. We are exploring more water-saving initiatives, to better reduce our water consumption, that also complements our currently-adopted best practices on water management.

### PAPER USAGE

Given how many of MYEG's products and services can be accessed online, the need for physical paper to be used has been significantly reduced. Even so, following the guidelines set out by our Environmental Policy regarding paper consumption is still necessary.

In order to reduce paper consumption, employees should only resort to printing documents when it is absolutely needed and, in all cases, double-sided printing is also required. We also remind employees to edit their documents on computers carefully before printing to avoid repeated printer usage. Employees are also to use coffee mugs instead of disposable paper cups at the workplace.

We also have additional established green features at MYEG in order to reduce paper consumption, which includes the introduction of digital forms, or e-forms, for employees to use regarding administrative matters e.g. leave application, salary slip, claims, appraisal, material requisition and more. Other notable green features of this manner include relying on digital signatures instead of physical signatures on documents when it comes to regular administrative operations which reduces the need to print, as well as utilising cloud services for information distribution and sharing instead of distributing printed copies.

To enforce these paper-reducing initiatives, reminders have been given to employees to spread awareness on our paper conservation attempts.

In FY2021, MYEG allocated 21 paper recycling centres at MYEG Tower. Each centre will be provided with 1 waste paper recycle bin. A shredder also be provided for the disposal of waste papers that have sensitive data on them. A designated vendor will be collecting 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

At MYEG, waste management and recycling practices are encouraged as it helps promote a 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.

We have a Waste Management and Recycling Statement that helps outline our initiatives that we aim to develop. Reusing and recycling materials such as glass, paper and plastic can be done easily and this is what our policies aim to highlight and encourage.

Among our primary reuse and recycle activities, besides the aforementioned waste paper recycling project which was kickstarted in FY2021, is the sorting of items upon the dismantling of sites in Klang Valley, our HQ and other regional areas. Items are sorted to determine if these items are reusable. Reusable items, usually furniture and air condition systems, will be collected by the Internal Courier team and sent to HQ for restoration and redeployment.

Constant development and evaluation of what initiatives could be implicated take place throughout the year in order for the Group to be more sustainable moving forward.

We remain committed towards 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 it is feasible to do so. These may include recovering and recycling equipment and materials related to the Group's operations.

### E-WASTE

As mentioned throughout this report, the development and increased reliance on the digital world has further been accelerated by the events of the COVID-19 pandemic. Whilst this means more online customers for the Group, it also means more use of electrical devices and more upgrades to our current technology is required to keep up with our increased online traffic.

Given the nature of MYEG being an online service provider, the Group not only relies on usage of computers but these computers should be updated with the latest technology. This means that there is constant change of electronics and older technology is usually disposed of.

The problem arises when there is an improper disposal of these old electronic devices which again links to the landfills where hazardous components can easily be leaked into the environment.

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. In FY2021, we conducted the disposal of the following items to the recycling contractor:

- a Computers and accessories - 300 units
- b. Equipment (electrical & electronic) - 176 units
- c Others - 15 units

MYEG could potentially consider participating in the e-waste recycling weeks that are organised by the relevant departments to further our participation in recycling e-waste and future e-waste solutions will be considered by the Board.



## SOCIAL

### TALENT RETENTION AND DEVELOPMENT

MYEG retains a high standard when it comes to the skills of our workforce possesses. To build our employees up to this standard, certain measures are taken in recruiting whilst incentives are also provided to employees who perform well which provides motivation to our employees.

For MYEG to remain as successful as we have been, the expertise of our workforce needs to be at an optimal level. We provide targeted internships and hire multigenerational candidates to expand our workforce whilst also having continuous leadership training for middle and top management. A total of 38 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 trainings and on-the-job training.

Our recruitment approach is two-pronged:

- Seeking to attract experienced 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 provide an avenue for successful candidates to join our workforce full-time.

A total of 17 interns were mentored in FY2021 (FY2020: 23 interns).

MYEG does not discriminate who it hires based on an individual's background, social status or education. In fact, MYEG has been doing its best to help provide jobs especially during the pandemic which has cost many people their opportunity to work. MYEG is committed to providing opportunities for people who come from under-privileged backgrounds, poor social statuses and a lack of formal education.

In the previous year, MYEG were unable to conduct regular, physical performance-based appraisals due the circumstances of the pandemic such as social distancing and WFH.

In FY2021, we conducted our performance appraisals through the launch of e-Appraisal in order to counter the operational complexities previously outlined, whereby team members were to complete their annual appraisal using the ESS portal.

The Group also has an internal employee rewards programme that recognises and appreciates excellence and individual performance called The Abdullah Ahmad Awards.

In FY2021, we pursued two key programmes to substantially bolster our efforts when it comes to internships, youth employment initiatives and graduate placements at the Group.

The first is the Malaysia Short-Term Employment Programme ("**MySTEP**"). MySTEP is a Malaysian government initiative targeting short-term (contract) employment opportunities in various ministries, government agencies and government-linked companies, as the government aims to create more employment opportunities and provide work experience to younger generation of workers in Malaysia to increase their marketability.

MYEG has had the participation of three trainees in MySTEP in FY2021. We employed two of the trainees to be permanent team members upon completion of training period. MYEG shall continue to participate in MySTEP for the year 2022, with an increased number of participants.

The second key programme is the Professional Training and Education for Growing Entrepreneurs ("**PROTÉGÉ**"), with participation commencing in April 2022 with five participants. PROTÉGÉ is an entrepreneurial training and marketplace training programme aimed to cultivate youth potential, in collaboration with industry experts, in the effort to create more competitive and ready job marketers as well as skilled job seekers to meet current industry needs.

## HUMAN RIGHTS AND LABOUR STANDARDS

To adhere to a certain standard when it comes to human rights, MYEG has subscribed to the United Nations International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights. These policies act as guidelines for MYEG's own policies when it comes to human rights issues throughout the company.

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

We implement risk assessments for potential and new operations / projects, where risk factors are evaluated thoroughly. These factors include labour issues, employee conduct and many more factors which could affect both financial and non-financial performance for MYEG.

At MYEG, we have a strict policy against any discrimination in the work place and 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. These include discrimination regarding race, religion, disabilities, age, gender, backgrounds, nationality, pregnancy and any other potential discriminatory topics.

Discrimination has no place in our workplace environment and definitely should 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.

We also understand the value of our employees and do our very best to respect any wishes and suggestions that are brought forward to us. It remains important that our employees feel they have their own voice and can express themselves in an appropriate manner.

Associations amongst workers are encouraged through our policies and we have an employee handbook that clearly outlines what rights and benefits they possess at MYEG. Translation of this handbook to Bahasa Malaysia is also in its final stages of development and should be completed by May 2022. 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.

MYEG also respects our employees the right of freedom of association as well as the right of collective bargaining, with local law pertaining to both of them.

The Group also complies with local labour laws on working hours and overtime whilst having a strict policy against using or promoting child labour and forced labour.

A breach in any of these policies will incur consequences.

Human rights can also be applied to all levels of our supply chain and we expect everyone MYEG is associated with to adhere to a similar stance when it comes to topics like human rights, discrimination and labour standards. We would not continue business with anyone found to be lacking in any of these departments. 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, consultant, contractors, agents, and any third party performing service for or on behalf of the Group. All business associates are required to complete an acknowledgement and declaration form to demonstrate their agreement to comply with the Code of Business Ethics.

Among the initiatives taken to keep our employees updated with our latest policies include posters being placed in common areas, updates to our employee handbook being handed out and sending any changes or updates on policies via e-mail.

We encourage our employees to report workplace bullying so action can be taken early on and to see if our bullying prevention measures are effective. Our aim is to create awareness on what is considered bullying, harassment and unacceptable behaviour in the workplace. MYEG wants to state clearly its zero-tolerance stance when it comes to these issues and do its best to prevent any cases from occurring.

Digital communication channels such as online briefings, trainings and communications are all used to create awareness on bullying and harassment. The shift towards using these forms of communication was enacted due to COVID-19 since no on-site training could take place in regards to these issues.

We hope that physical training can take place in FY2022 as there are certain limitations when using online communication such as team members who had poor internet connection.

In FY2021, we had 49 team members consisting of assistant managers, team leaders and assistant team leaders who attended the bullying and harassment briefing.

## MATERIALITY MATTERS

(CONT'D)

We also have a whistleblowing channel that promotes our employees to flag any actions that involve harassment, bullying, human rights violation and breach of labour laws. Our managers have also undergone training when it comes to dealing with any reports made.

In FY2021, we had a bullying and harassment incident reported to our Industrial Relation department. Our investigation procedures were carried out and timescales for action counselling and support availability were made.

FY2021 had a total of zero cases involving a breach of these human rights policies.

### HIRING AND ATTRITION RATES

MYEG hired a total of 581 new employees in FY2021, which brought our total employee count to 2,552 personnel as at 31 December 2021. We also take pride in hiring our local talent which is why only 1.29% of our workforce consists of foreigners at our Malaysian operations.

Attrition rates remained healthy in FY2021 compared to industry peers, with 473 employees undergoing attrition largely due to the release of contract staff as well as role restructuring within the organisation to boost work efficiency. However, we managed to retain around 85% of managerial positions.

#### Attrition Rate in FY2021

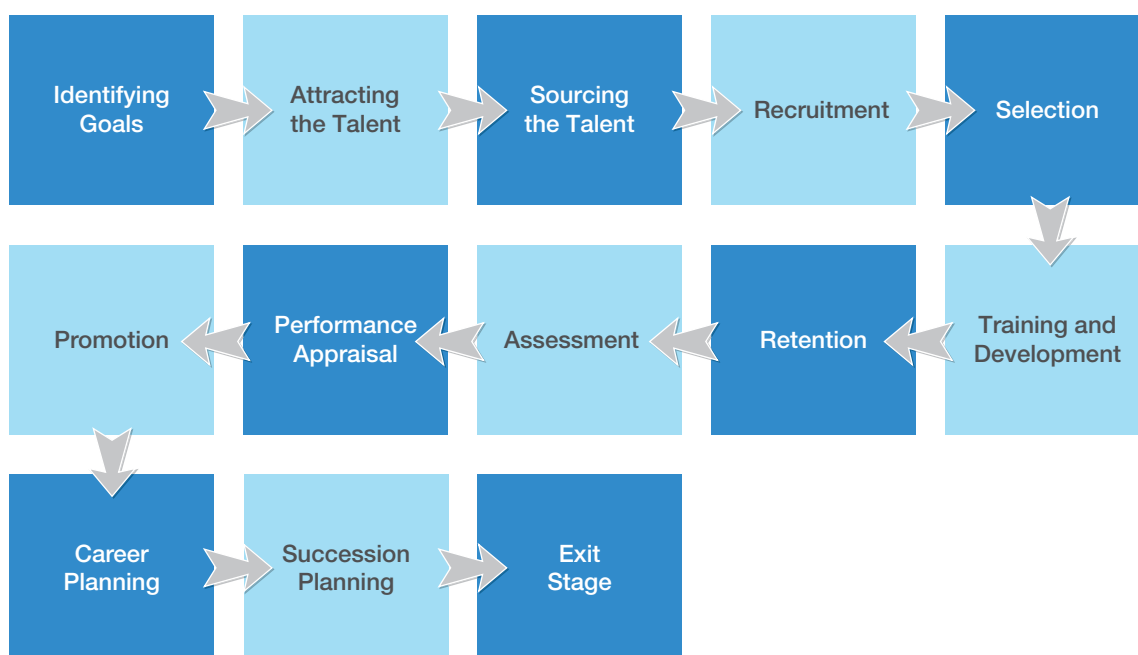
Category (as of December 2021)	Resigned	Average Head Count	Attrition Rate* %
Managerial and above	28	186	15.09
Executive and below	445	2,313	19.24

\* Figures are derived from average headcount for the FY2021.

### TALENT TRAINING AND DEVELOPMENT

Developing our talent within MYEG helps distinguish our employee's skillset from other companies. Skills such as being able to work efficiently and productively in a team to produce effective results for the company. Through development, we are able to nurture employees instead and allows them to grow with the company.

We therefore have in place a carefully-crafted talent development process model in place in order 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, 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, 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 organisation's goals.

**Retention** – The objective of talent management is not only hiring talent but also ensuring their retention in the organisation. Factors that the retention rate depends on include 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.

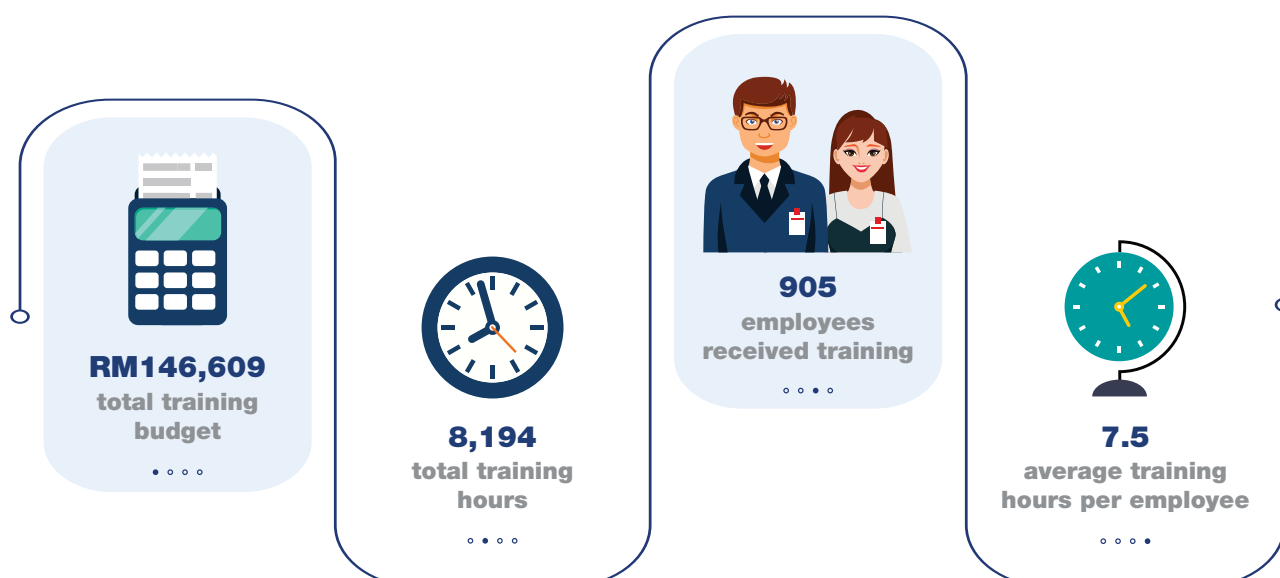
**Promotion** – It refers to job enrichment. It keeps the energy level of the employees high and they become inspired to continue working for the organisation.

**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 deals with the replacement of employees within the organisation. Employees who have contributed their best to the organisation and have been serving for a long time deserve 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 FY2021:



## MATERIALITY MATTERS

(CONT'D)

Talent training in FY2021 was difficult to be carried out due to the hurdles present for physical training to take place. Virtual training sessions were therefore preferred and carried out because of the changing situations regarding COVID-19.

The key focus areas of our training sessions are on safety & health, nurturing positive relationships at work, building a high-performing team, handling conflicts and confrontations effectively, ethics and integrity, time management as well as privacy and security.

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:

1. Improved productivity
2. Increased efficiency
3. More accountability
4. Less support being required
5. Opportunities for employee development by tracking personal growth

Following is a complete list of FY2021 internal and external training programmes held:

- MAICSA ANNUAL CONFERENCE 2021
- Corporate Directors Training Programme Fundamental 3.0
- Career Development for Managers
- Employee Misconduct & Domestic Inquiry Procedures
- Dealing With Employees On Prolonged Illness
- Briefing on COVID-19 SOP
- Anti-Bribery and Anti-Corruption Framework
- Quality Customer Service -Miles to Miles
- MYEG IR & PDPA refreshed – Logistics Officer, Customer Service Officer training
- MYEG IR & PDPA refreshed – CRE, CSE, Corporate Sales training
- SOP Training for Printing Department
- New intake Induction programme
- 21 Tips for Excellent Customer Service

### 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 talents.

Besides wages, benefits of full-time MYEG employees include:

Paid sick leave, depending on the period of service

- 14 days for less than 2 years
- 18 days for between 2 - 5 years
- 23 days for between 5 - 8 years
- 24 days for more than 8 years

A period up to 60 days is granted if hospitalisation is necessary

Maternity leave (60 consecutive days for each confinement period)

Paternity leave (2 working days)

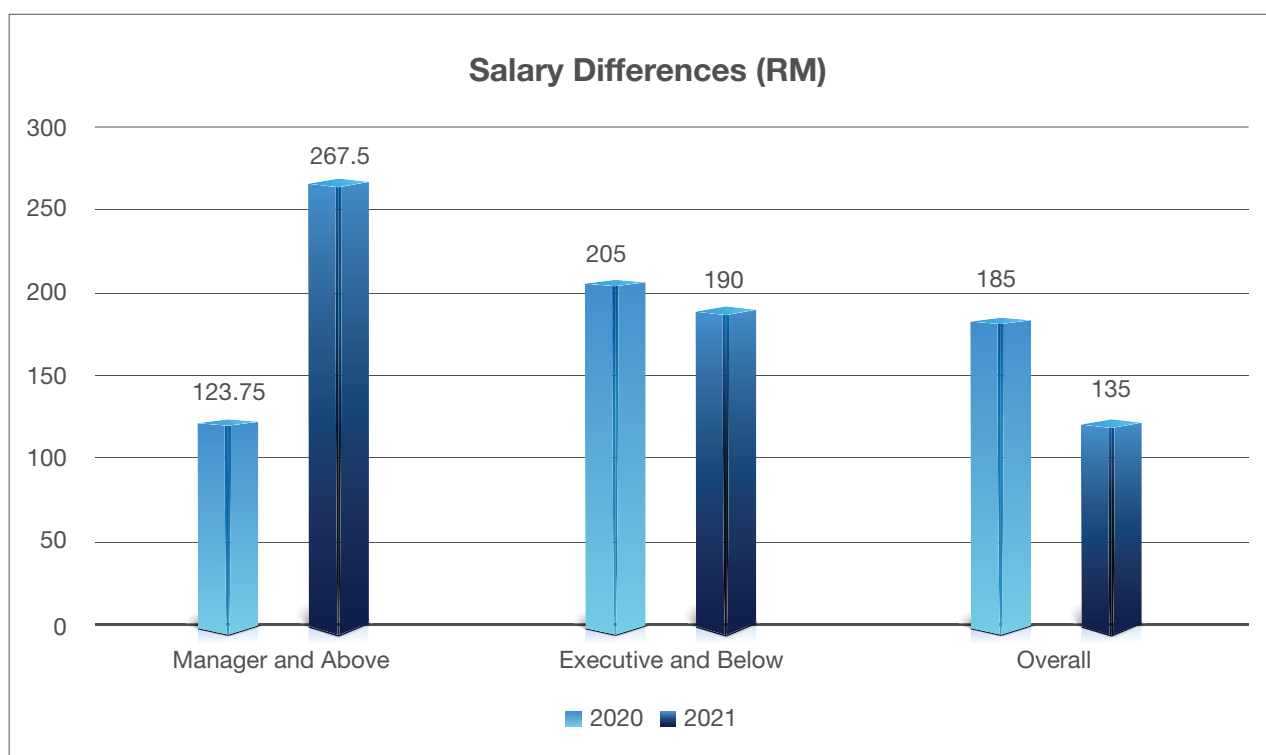
Marriage leave

Compassionate leave
Examination leave
Baby gifts
Health and medical coverage
Paid and unpaid leave
Bereavement benefits
Discounted car insurance
*Overtime compensation (either by pay or leave)

\* 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 to job category. This is a healthy gap in median salary differences between male and female employees which MYEG will continue to champion going forward.





### SUCCESSION PLANNING

At MYEG, we like to have competition within the company so our employees constantly feel like they are being challenged to perform at an optimum level. Those that we identify as our top performers usually possess the ability to constantly learn and develop whilst also maintaining a high productivity rate. 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 and its subsidiaries have adopted the Succession Planning Programme (“SPP”). The SPP is prepared with a plan to support operation and service continuity for when a member of senior management or anyone deemed in a ‘Critical Position’ within MYEG vacates their position. With this programme, we can provide a pool of suitably qualified and motivated employees who would be capable of handling the new role and added responsibility.

In order to decide which employees are involved with our succession planning process, MYEG looks at the scores of individuals in the annual performance. The HOD will evaluate and review these scores and from this will 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 talents 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 characters for Critical Positions.

Potential successors will be mentored and assigned roles and tasks along with relevant projects to tackle. Their positions will also be rotated to increase their exposure to different teams and departments that are relevant to the Critical Positions. To monitor the effectiveness of the SPP, the following will be conducted:

- Half Yearly Self-Assessment Reports by the potential successors on the progress; and
- The incumbents are to provide yearly assessments on the readiness of the potential successors.

There will be no timeline or target completion date of the SPP for the Critical Positions. However, in the event that the management finding the progress being unsatisfactory, HR will be required to step in to ensure the smooth running of SPP.

With this opportunity comes specific leadership training programmes that ensures our leaders have the necessary required skills we expect. Leadership roles require a high amount of responsibility at MYEG as these are the people that 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 sustainability for MYEG's future.

## EMPLOYEE ENGAGEMENT

Due to restrictions on the holding of physical events, our employee engagement initiatives and events in FY2021 were limited to say the least. Despite this, information regarding updated SOP's were communicated in an effective manner. Nevertheless, the increased distribution of vaccines more recently has allowed for more physical events to take place with less stringent COVID-19 control measures. It is hoped the easing of restrictions would mean that our employee engagement efforts can be carried out more frequently in the near future. This form of communication and interaction is key for MYEG in improving the relationship between employees and managers.

In FY2021 MYEG participated in two blood donation campaigns in March and September respectively. We were also involved in a food distribution campaign during Ramadan as part of our CSR. We ensured that strict adherence to the SOPs took place and we constantly reminded our participants of these policies.

MYEG were not able to organise employee engagement activities due to the MCO and this has limited our physical activities especially with many people adopting to WFH. We hope that in FY2022 we are able to carry out more of these activities.

More details of this engagement are in our Community Investment section of this Sustainability Statement.

## WORKFORCE INCLUSIVITY AND DIVERSITY

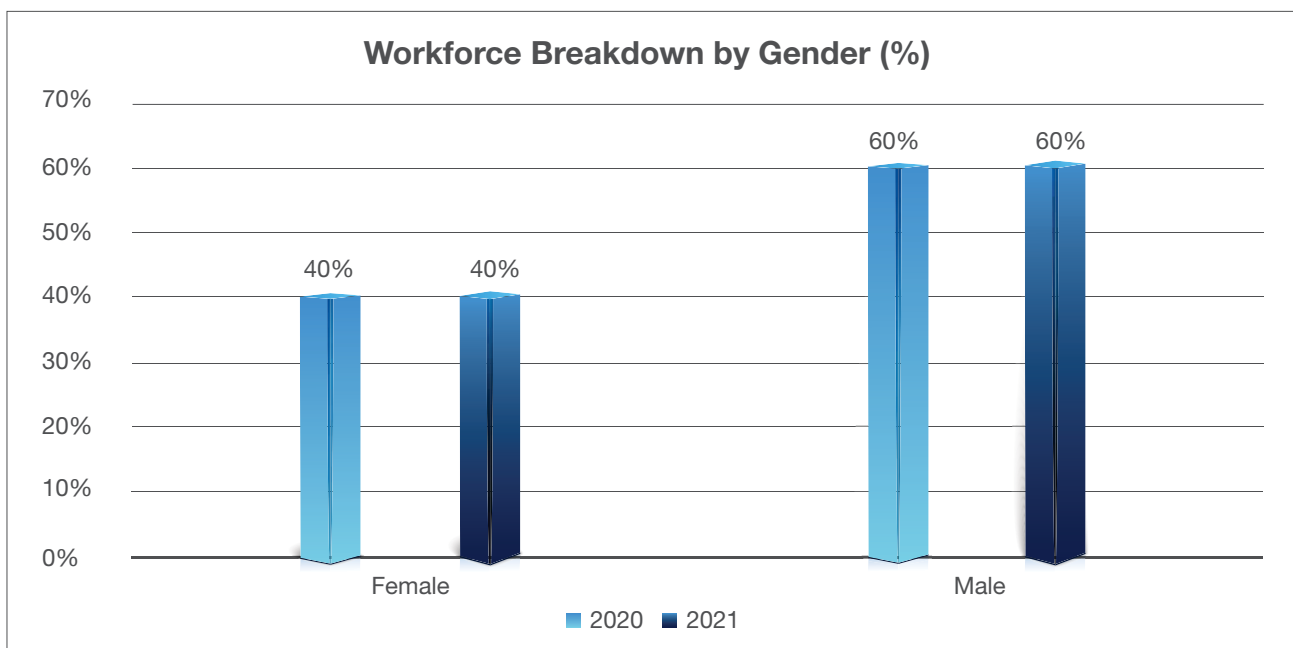
The workforce at MYEG consists of a wide and diverse range of employees that come from different backgrounds and cultures. The Group prefers to have various perspectives when it comes to our decision making process as this keeps a certain standard in our workplace culture.

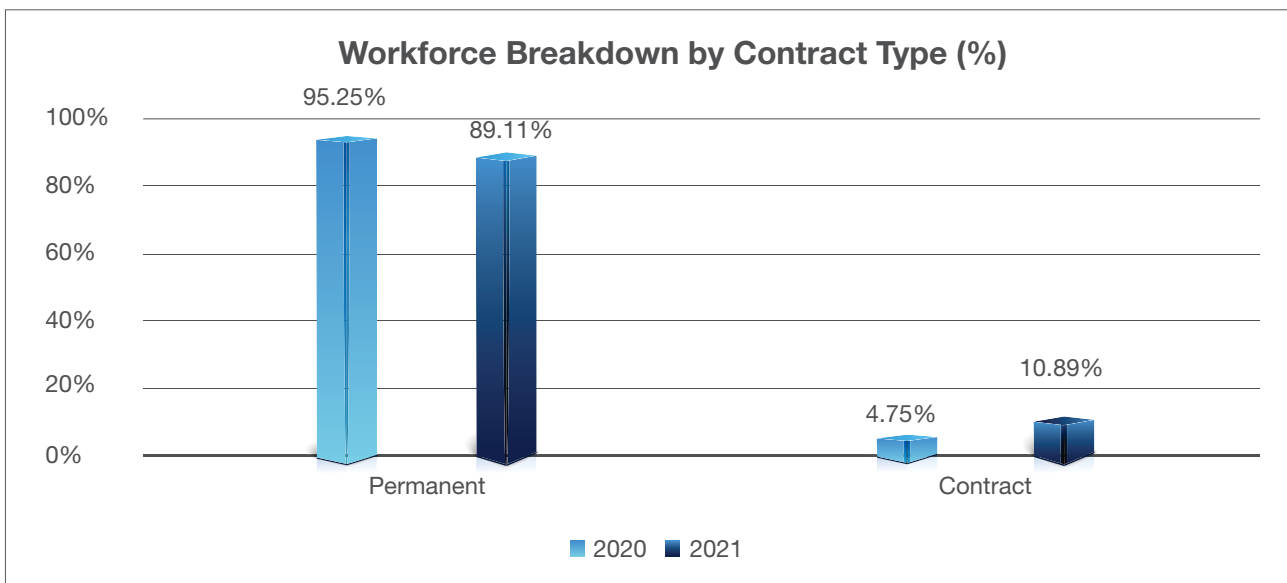
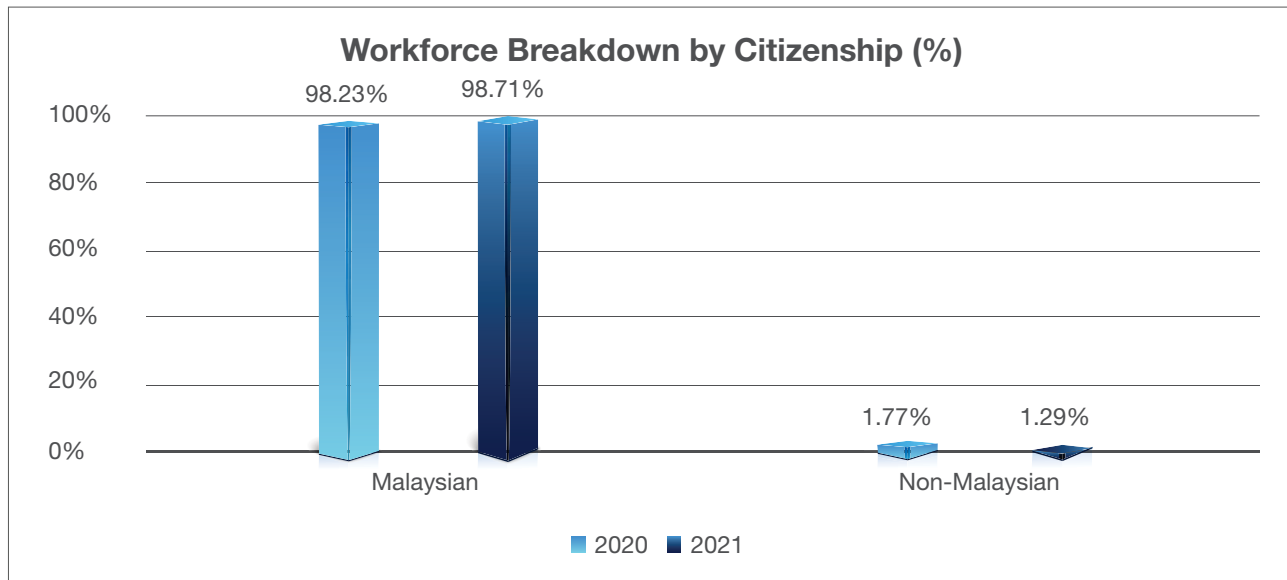
Within our recruitment process, we have a Non-discrimination and Equal Employment Opportunity Policy that we strictly adhere to. We aim to represent all values and cultures within the Group and maintain our core hiring principles when it comes to our recruitment process with no forms of discrimination or bias being present.

We also promote a variety of initiatives to encourage equal opportunity and diversity within MYEG which consisted of:

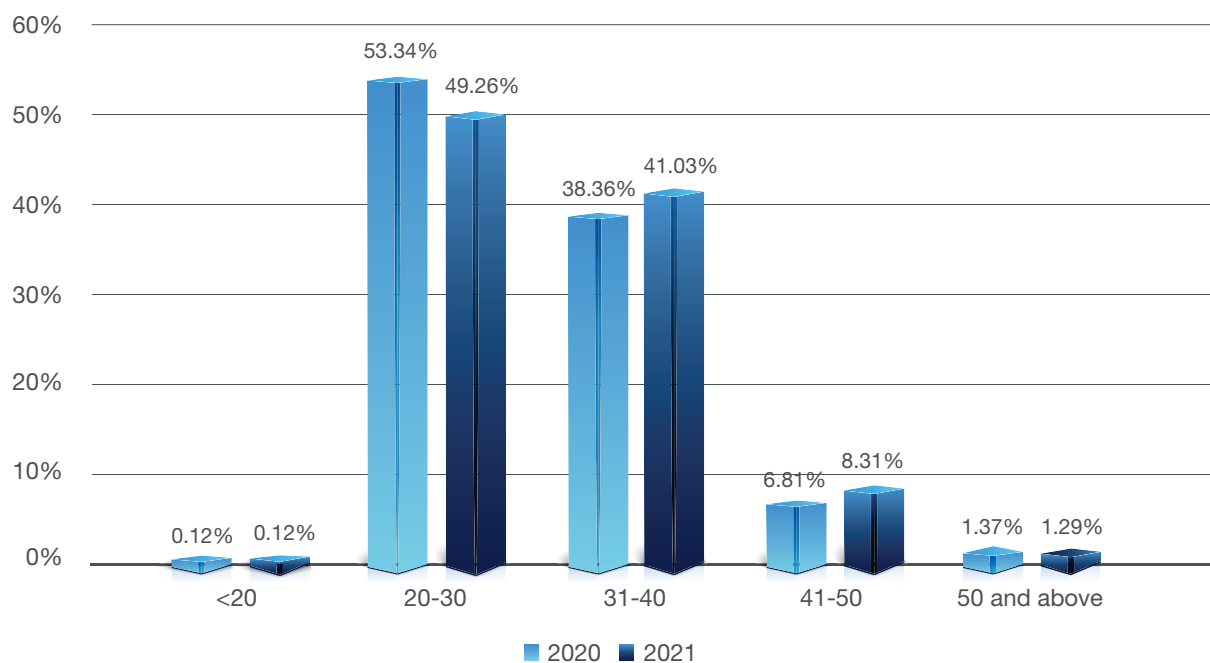
- Encouraging the celebration of cultural holidays, reminding employees to be mindful of religious events and recognising holidays of different cultures by sending an acknowledgement e-mail on every religious event.
- Fostering mutual respect amongst MYEG employees regarding its diverse ethnicity by creating a working environment in which everyone feels welcomed, impartially treated and fully supported to achieve their best.
- Managing diversity and equality is embedded in our performance appraisal approach. A performance appraisal is conducted to enhance managerial and organisational performance, alongside employees' motivation.
- Recruiting and retaining people with disabilities and giving equal employment opportunities whilst also catering to their needs. For instance, we offer disabled parking spots and lift services for people with disabilities. MYEG also provides a WFH alternative for members with disabilities.

The following constitutes our workforce breakdown by gender, citizenship, contract type, age and job category:

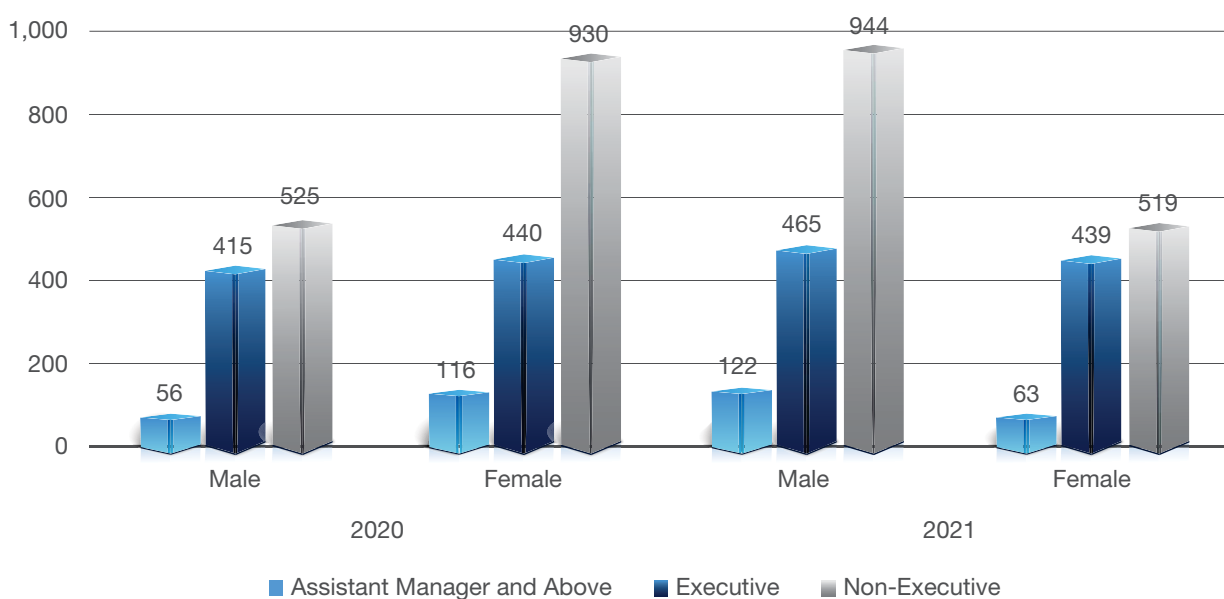




## Workforce Breakdown by Age (%)



## Workforce Gender Breakdown by Category



“Assistant Manager and Above” includes Assistant Manager, Manager, Senior Manager and Director.

“Executive” includes Executive and Senior Executive.

“Non-Executive” includes Non-Executive, Officer and Senior Officer.

### OCCUPATIONAL SAFETY AND HEALTH ("OSH")

Whilst MYEG takes great pride in the results we obtain, nothing holds more importance than the safety of our workforce. MYEG's OSH standards strictly abide by the Occupational Safety & Health Act ("OSHA") 1994. Responsibility over MYEG's OSH at the Board level comes under the Group's Managing Director.

There are certain activities on the frontline that do possess a higher risk in either transmitting diseases or just their overall health and safety. The onset of COVID-19 has also increased the potential risk to their health.

Beyond upholding a strict compliance to government SOPs to protect our employees from potential exposure to the virus, other health and safety SOPs have also been proactively adopted by MYEG and maintained for the sake of our employees and visitors, in line with OSHA best practices and stipulated COVID-19 SOPs by authorities. These include:

- IR Training Department & Welfare Department & Audit Team conduct weekly audits on the compliance levels of COVID-19 SOPs at the workplace
- Provide face shields to all new team members and any replacements if needed
- Bi-weekly Breathonix tests done for all team members
- Daily cleaning of all workstations using germicidal disinfectant for surface cleaning
- Installing a temperature monitoring station
- Ensuring registrations using MySejahtera and MyHealth mobile application are done
- Conducting sanitisation works at common areas and office environments
- Providing alcohol swab to all delivery officers and customer service counter personnel
- Supplying face masks & face shields to all staff, and preparing hand sanitisers for them
- Contributing disposable gloves to all delivery officers and customer service personnel
- Implementing a rotational working arrangement to reduce number of staffs physically in the workplace

Implementing the aforementioned SOPs has helped us to significantly minimise, control and prevent any COVID-19 infections and risk of infection at the workplace. 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 wellbeing.

For any COVID-19 positive cases reported from MYEG's employees, MYEG took immediate action to adequately mitigate the situation and ensured that no further viral spread affected any other employee or our customers.

More details on our commitment to the safety and health of our employees at MYEG can be found in our Safety and Health Policy at <https://www.myeg.com.my/investor-relations/governance>.

### EMPLOYEE MENTAL HEALTH

We also understand the significance of mental health especially during lockdown, which has heightened the potential for employees to experience more work stress and burnout. In FY2021, we continued to make significant efforts in boosting positive mental health among employees, by treating mental health to be just as important as physical wellbeing, such as:

- Posting activities picture of our employee who worked during MCO on our social media
- Forwarding news clippings / articles on mental health awareness to employees
- Sending daily / weekly meaningful motivational quotes to employees via e-mail during the MCO period
- The IR Training Department created a group for our delivery team to cater to any inquiries and even send daily motivational quotes to boost positive mental health of the team

These measures stated above allowed the Group to motivate its staff, boost morale and create a stress management channel for staff to ease their frustration garnered from work due to irregularity as a result of MCO and WFH. While we were unable to conduct physical activities due to the MCO and employees working from home, we leaned heavily on the support of robust digital communication platforms such as Zoom, WhatsApp and e-mails to propagate these mental health initiatives across the organisation.

## HEALTH AND SAFETY EMPLOYEE COMMITTEE

MYEG encourages our employees to display their concerns and this also applies to health and safety aspects. All of our employees are represented by a formal joint management-worker Health and Safety Employee Committees.

The committee was established in 2014 and 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 committee is to assess any safety risks in MYEG's operations both present and future whilst also giving counsel to the Board regarding overall management.

Among the key safety concerns raised by the committee has been about the existing COVID-19 pandemic as well as related SOP compliance for our delivery officers and other employees that do not work from home.

Concerns such as staff mental health during MCO, accidents, harassments and bullying have been key topics for the Group, especially mental health, given the pandemic's prolonged existence in society. Therefore, discussions have taken place on how to improve employee mental health during the MCO.

Furthermore, Health and Safety data is collected in compliance with OSHA standards for industry benchmarking purposes. In FY2021, among the health and safety reports and statistics collected, two cases were reported on sexual harassment, four cases on mental health issues, two cases on workplace bullying, 21 injuries during working hours, one death due to COVID-19 and one accident during working hours.

Given the aforementioned data, we strongly aim to improve health and safety at the workplace by reducing injuries at workplace, educating employees on mental health and having a healthy lifestyle as well as creating awareness on harassment & bullying in the workplace. We also target to review the current relevant policy / programme on health and safety, OSHA and harassment / bullying to mitigate these issues from occurring again.

In order to maintain the high standards of the committee in tandem with meeting OSHA requirements so that health and safety continues to be scrutinised and improved when needed, we send committee members for a refresher course on OSHA. As most employees were working from home, we remained limited in conducting the refresher course to its fullest capacity. However, supported by digital communication channels, we continued to do our best in ensuring this refresher course was conducted as feasibly as possible.

Two committees meetings were held in FY2021 and the following decisions were made on the discussed matters, in pursuant of fortifying our compliance with OSHA standards and the Group's health and safety policy:

- Training on safety awareness and accident-reporting protocol, awareness on issues related to safety policies and injuries prevention was carried forward to 2022 as the training involves physical interaction;
- Conduct weekly audits at all work environments to ensure the compliance of COVID-19 SOP stipulated by the Ministry of Health;
- OSHA Compliance. OSHA standards play a crucial role in workforce management, safety program development and accident prevention;
- Return-to-Work policies; and
- Hazard assessment

In regards to internal OSH training and / or refresher courses at MYEG, we were unable to conduct physical training sessions due to the MCO and persistent pandemic situation. We plan to carry this internal OSH training and / or refresher course in May 2022. Given the absence of this regular OSH training, our training budget for OSH-related initiatives in FY2021 was RM3,710 for OSHA training, and RM15,310 for Emergency Response Team ("ERT").



### COMMUNITY INVESTMENT

Investing back into the community that has contributed towards MYEG's current position is a vital objective we continue to work towards. The community itself has been dealing with some difficult times as of late due to the pandemic and other natural disasters such as the recent floods in December 2021. It is only right that the Group has activities and initiatives that are aimed at having a positive effect on society.

Not only are we helping people but it also increases the exposure of MYEG towards the community and helps solidify us as a recognised leading brand. It is a benefit from a brand awareness perspective since these community investment events also increase the number of users who are on our platforms.

By having this reputation as a company that gives back to the community, we are able to use our platform to highlight certain topics and concerns that would be able to help the community as a whole.

MYEG has been closely working with Komuniti which is the company's CSR arm that comprises of employees who volunteer their time and effort in CSR efforts which were recognised through appropriate remunerations and responses. This is done due to their experience in helping sustainability objectives being reached not just for us but the community as well. By leading our CSR efforts, it is a more effective way for us to invest back into our community.

By taking care of our community, it means we are ultimately looking after our consumers since we rely on community participation when it comes to our e-services. Their usage of MYEG's services has enabled us to grow into the company we are today and for that we are grateful. For this reason, we will give our best efforts to look after our community in any way whether it be through focus on welfare, socioeconomic factors or children's rights.

During FY2021, we have continued to focus on helping those who are underprivileged during this pandemic era. Our CSR initiatives are encouraged to our employees so that they can contribute in any sort of manner either through providing ideas, signing up for these initiatives or even developing the Komuniti social media pages.

MYEG also ensures they recognise employee volunteers for CSR projects. Volunteers will be given a certificate of participation. Moreover, a volunteer's involvement in CSR activities will be recorded in the employee's yearly assessment / appraisal i.e. additional marks awarded in their yearly assessment.

MYEG ensures that there is easy access of communication between the community and MYEG itself. A number of mediums can be used. For instance, we can be contacted through email and phone call whilst also being available on social media such as Facebook and Twitter. Any issues that need to be raised regarding our services, business practices and operations or even employee conduct is open to discussion. We aim to be as transparent as possible with our community and will try our best to deal with any potential concerns.

Notable highlights and information on our community investment endeavours in FY2021 are as follows:



## Chinese New Year ("CNY") CSR

8 February 2021

Komuniti MYEG distributed CNY food packages from BELI to 25 Chinese families in Kinrara, Puchong consisting of underprivileged single mothers and the elderly ahead of Chinese New Year with assistance from Pertubuhan Kebajikan dan Amal Wanita Selangor ("PEKAWANIS").



Chinese New Year CSR

## BELI Cares Gift Boxes

February – March 2021

BELI kicked off its CSR programme 'BELI Cares' via the donation of BELI Care Gift Boxes, which contained essential food items, that were delivered to those in need during the lockdown. 9 charity groups and over 200 underprivileged families received a total of RM150,000 worth of groceries.

## Blood Donation Campaign

10 – 11 March 2021

For the 5th year running, MYEG, in collaboration with Pusat Darah Negara, organised a blood donation campaign at MYEG Tower.

## Ramadhan Food Pack Distribution

26 – 29 April 2021

In conjunction with the month of Ramadhan, MYEG sponsored 600 food packs for families in PPR Lembah Subang consisting of single mothers, disable person (OKU), senior citizens and the underprivileged.



Ramadhan Food Pack Distribution

## Iftar Food Distribution to Rumah Amal Suci Rohani

4 May 2021

Dato' Dr. Raja Munir Shah, who is MYEG's Project Director, distributed food and duit raya to the children of Rumah Amal Suci Rohani.

## Iftar Food Distribution to Baitun Nurrawdhah

11 May 2021

Dato' Dr. Raja Munir Shah handed out duit raya and iftar distribution to the residents of Baitun Nurrawdhah.

## PPE Distribution to IPD Petaling Jaya

12 May 2021

Dato' Dr. Raja Munir Shah presented personal protective equipment to representatives of Ibu Pejabat Polis Daerah (IPD) Petaling Jaya.

## MATERIALITY MATTERS

(CONT'D)

### BELI Cares Foodbank

12 – 24 July 2021

A temporary BELI Cares foodbank was set up at BELI outlets in Bandar Puteri Puchong and SS15 Subang Jaya to provide food aid to those in need.

### Donation of Food Supplies to Madrasah Al-Ain Rohingya

4 September 2021

Komuniti MYEG provided groceries from BELI to Madrasah Al-Ain Rohingya in Kuala Langat to assist Rohingya students and families. MYEG also sponsored 2 months of rental for their premises.

### Blood Donation Campaign

13 – 14 October 2021

For a second time in the year, a blood donation campaign was held at MYEG Tower in collaboration with Pusat Darah Negara.

### Deepavali CSR

9 November 2021

Komuniti MYEG provided food aid from BELI to the Indian Community living in Taman Desaria and Desa Mentari, Petaling Jaya, in conjunction with Deepavali through assistance from Suriana Welfare Society.

### Laptops Donation to the Salvation Army of Malaysia

13 December 2021

Komuniti MYEG refurbished and donated 6 sets of laptops and other computer peripheral to The Salvation Army of Malaysia to be used by special needs children at The Hopehaven Special Needs Care Centre in Melaka.



Laptop Donation to the Salvation Army of Malaysia

### Fundraising and Donation for Flood Victims

27 December 2021

Komuniti MYEG took the initiative to set up a Flood Relief Donation Drive where MYEG team members across Malaysia were invited to make a pledge to donate cash and pre-loved items to assist their colleagues who were affected by the floods in Selangor and Pahang.

## 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 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 statement 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 statement is prepared in compliance with 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 FY2021, 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.

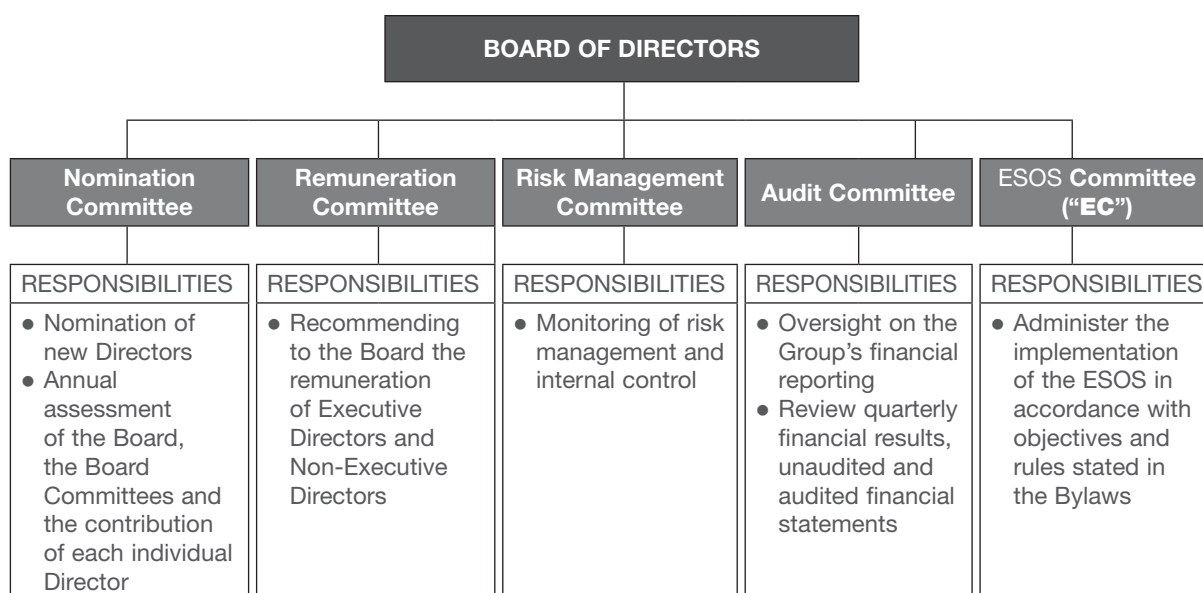
The Board will continue to take measures to improve compliance with the principles and recommended best practices along with our course of business.

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the FY2021, including strategic decisions and the reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board sought to ensure that the decisions were taken in a way that was fair and consistent with the Group's values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established various committees where specific powers of the Board are delegated to the relevant Board Committees as depicted below:-



# CORPORATE GOVERNANCE OVERVIEW

(CONT'D)

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. BOARD RESPONSIBILITIES (CONT'D)

The Board has a formal schedule of matters reserved for deliberation as set out below, to ensure good governance is in place for the Group:-

- a) Conflict of interest issues in relation to a substantial shareholder or a Director including approving related party transactions
- b) Material acquisition and disposal of assets not in the ordinary course of business including significant capital expenditures
- c) Strategic investments, mergers and acquisitions and corporate exercises
- d) Limits of authority
- e) Treasury policies
- f) Risk management policies
- g) Key human resource issues
- h) Business plans

### II. BOARD COMPOSITION

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thoughts, perspectives, cultural and geographical backgrounds, age, ethnicity and gender to ensure that the Group has a competitive advantage.

In evaluating the suitability of individual Board members, the Nomination Committee (“NC”) takes into account several factors, including skills, knowledge, expertise, experience, professionalism and time commitment to effectively discharge his or her role as a Director, contribution, 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, provide constructive challenge, strategic guidance, offer specialist advice and impartiality.

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 in place on setting targets on female candidates to be appointed to the Board. During the year, i.e. 9 July 2021, the Company has appointed one female director on Board and the total number of female Directors is now stood at two (2) which represents 29% of women representation on the board. With the current composition, the Board was of the view that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them 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.

### III. REMUNERATION

The Board has in place a Directors and Senior Management’s Remuneration Policy which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Group. In this regard, the Remuneration Committee (“RC”) is responsible to formulate and review the remuneration policies for the Directors of the Group to ensure the same remains competitive, appropriate, and in line with the prevailing market practices.

The Board carries out a remuneration review for its employees including that of Senior Management, with the view to ensure that the Group continues to retain and attract the right talents in the industry. The proposed salary structure, which duly considered by the RC, is subsequently brought to the Board to be approved for implementation.

Further details on how the Board operates effectively and discharges its collective responsibility for the long-term sustainable success of the Group can be obtained in the Corporate Governance Statement set out on pages 111 to 127 of this Annual Report.



## PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AUDIT COMMITTEE

The AC comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director that plays a key role in ensuring integrity and transparency of corporate reporting. The AC's role is to review and where necessary, to challenge Management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. The AC has a duty to provide assurance to the Board that robust risk management, internal controls and assurance processes are in place. It continues to monitor 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.

The AC with the assistance of the internal audit function had undertaken a thorough review of the following areas within the Group to ensure that appropriate controls and effective management processes are in place:-

- a) Finance Department (Sales)
- b) Human Resources Department
- c) Industrial Relation Department
- d) Information Technology Department
- e) Myassist Operations

Annually, the composition of the AC is reviewed by the NC and recommended to the Board for its approval. The Board is satisfied with the performance of the AC in discharging its responsibilities, based on the results of the evaluation undertook during the year.

Further details pertaining to the activities undertaken by the AC can be obtained in the AC Report set out on pages 134 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. With the Risk Management Policy being in place, the Board's decision-making was supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from the Management was also critical in ensuring that appropriate monitoring and mitigations were embedded to support the proposals under discussion.

The Board fulfils its responsibilities in the risk governance and oversight functions through its RMC in order to manage 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 assessed and monitored the efficacy of the risk management and controls.

The Board will continue to drive a proactive risk management approach and ensure that the Group's employees have a good understanding of the application of risk management principles in order to work towards cultivating a sustainable risk management culture. The Board will also 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 of the view that the system of internal control and risk management in place during the FY2021 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 on pages 136 to 138 of this Annual Report.



# 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 that 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.

The Group has embarked its Integrated Reporting since FP2019 by adopting the International Integrated Reporting Council Integrated Reporting Principles Based Framework and is at a nascent stage of the Integrated Reporting journey. The Group is committed to enhancing the disclosures in Annual Reports in order to provide systematic and comprehensive disclosures of the Group's value creation.

### II. CONDUCT OF GENERAL MEETINGS

The Group's 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. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage 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 the voting at the AGM is conducted through an electronic polling system. The Twentieth 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.

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 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.

The Board is pleased to provide the following 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 broad range of skills, experience and knowledge which give added 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 the 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 its 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 ensure 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; and
- ensuring the integrity of the Group's financial and non-financial reporting.

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:-

- (i) NC
- (ii) RC
- (iii) AC
- (iv) RMC
- (v) EC

Each Board Committee operates within their 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. Ultimate responsibility for the final decision on all matters, however, lies with the Board.

# CORPORATE GOVERNANCE STATEMENT

(CONT'D)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 1. Board of Directors (cont'd)

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 includes strategic risks, strategic projects and operational items.

The profile of each Director is presented on page 32 to page 38 of this Annual Report.

#### 2. Separation of Positions of Chairman and Group Managing Director

The Board recognises the importance of having clear division of power and responsibilities between the roles of the Chairman of the Board and Group Managing Director to ensure that there is 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 to ensure there is 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 businesses, strategies and key activities of the Group.

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 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 so that the Board can 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 implementation of policies and strategies adopted by the Board to achieve the Group's objective of creating long term value for its shareholders.

The Board views that the Chairman of the Board should not involve in any Board Committees. This is to ensure check and balance as well as the 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 MCGG.

#### 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 discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committees papers 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 before the meeting date. Upon conclusion of the meeting, the Company Secretary will draft the minutes of meeting and circulate them in a timely manner.

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. Board Responsibilities (cont'd)

### 3. Supply of and Access to Information (cont'd)

Generally, the Board papers circulated 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, the Management is often invited to be present and provide detailed explanation on any agenda at Board meetings.

The external auditors would brief the 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 obtain independent professional advice, at the Group's expense, in the furtherance of their duties.

Technology is effectively used in the Board and Board Committees' meetings. The agenda and meeting materials are sent online to the 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 deal with urgent and important matters that require the attention of the Board.

All pertinent issues discussed in Board meetings are properly recorded by the Company Secretaries.

The Board met four (4) times during the FY2021. Details of attendance are as follows:

Directors	Number of meetings attended	%
Dato' Dr Norraesah Binti Haji Mohamad	4/4	100%
Wong Thean Soon	4/4	100%
Datuk Mohd Jimmy Wong Bin Abdullah	4/4	100%
Wong Kok Chau	4/4	100%
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	4/4	100%
Dato' Mohd Jeffrey Bin Joakim <sup>(1)</sup>	2/2	100%
Mohaini Binti Mohd Yusof <sup>(1)</sup>	2/2	100%
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim <sup>(2)</sup>	2/2	100%

<sup>(1)</sup> Appointed as Director on 9 July 2021.

<sup>(2)</sup> Resigned as Director on 29 June 2021.

The Board is satisfied with the level of time commitment given by each Director towards fulfilling their roles and responsibilities as evidenced by the satisfactory attendance recorded.

It is the Directors' duty to notify the Board before accepting any new directorship notwithstanding that the MMLR of Bursa Securities allows a Director to sit on the Board of a maximum of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. At present, all Directors of the Company have complied with the MMLR of Bursa Securities where they do not sit on the board of more than five (5) listed issuers.

# CORPORATE GOVERNANCE STATEMENT

(CONT'D)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 5. Continuous Development of the Board

The Board acknowledges the importance of constantly updating itself on the industry's directions and developments. The Board is provided with the opportunity for training 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. The Directors are mindful that they shall continue to enhance their skills and knowledge to maximise their effectiveness as Directors during their tenure. During 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 to keep 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>Amanat Perdana Setahun Malaysia Perihatin with Perdana Menteri.</li> <li>World Islamic Economic Forum (WIEF) – Straight Up on US-CHINA: Navigating Market Uncertainties.</li> <li>How effective is ZIFIVAX™ against the New Variants of SARS-CoV-2 Virus?</li> <li>WIEF – #iEmPOWER   Creative Industries: Harnessing Emerging Technologies Webinar.</li> <li>WIEF – WBN (Women Business Network) – #iEmPOWER Webinar on Digitalisation trends: Opportunities Within.</li> <li>Updates on MCGG 2021.</li> <li>Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries.</li> </ul>
Wong Thean Soon	<ul style="list-style-type: none"> <li>Updates on MCGG 2021.</li> <li>Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries.</li> </ul>
Datuk Mohd Jimmy Wong Bin Abdullah	<ul style="list-style-type: none"> <li>Updates on MCGG 2021.</li> <li>Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries.</li> </ul>
Wong Kok Chau	<ul style="list-style-type: none"> <li>Updates on MCGG 2021.</li> <li>Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries.</li> <li>Corporate Director's Summit themed "Governance 4.0: Transforming Business, Transforming Boards".</li> <li>Hong Kong FinTech Week.</li> </ul>

## 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>How to be an Effective NED in a Disruptive World.</li> <li>Audit Committee Conference 2021.</li> <li>Updates on MCGG 2021.</li> <li>Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries.</li> </ul>
Dato' Mohd Jeffrey Bin Joakim	<ul style="list-style-type: none"> <li>Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries.</li> <li>Mandatory Accreditation Program (MAP) for Directors of Public Listed Companies.</li> </ul>
Mohaini Binti Mohd Yusof	<ul style="list-style-type: none"> <li>Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries.</li> <li>Corporate Directors' Summit themed "Governance 4.0: Transforming Business, Transforming Boards".</li> <li>Securities Commission's Audit Oversight Board Conversation with Audit Committee.</li> </ul>

Furthermore, the Company Secretaries also highlight the changes to the relevant guidelines on statutory and regulatory requirements from time to time to the Board. 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 also receive regular briefings and updates on the Group's businesses, operations, risk management activities and human resource matters.

#### 6. Board Committees

##### 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, its Committees and the contribution of each individual Director as well as identifies candidates to fill board vacancies, and nominating them for approval by the Board.



# CORPORATE GOVERNANCE STATEMENT

(CONT'D)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 6. Board Committees (cont'd)

##### NC (cont'd)

The NC comprises of three (3) members, in which two (2) of whom 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 <sup>(1)</sup>	Chairman
Dato' Sri Mohd Mokhtar Bin Mohd Shariff <sup>(2)</sup>	Member
Datuk Mohd Jimmy Wong Bin Abdullah <sup>(3)</sup>	Member
Wong Kok Chau <sup>(4)</sup>	Chairman
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim <sup>(5)</sup>	Member

<sup>(1)</sup> Appointed as Chairman on 9 July 2021.

<sup>(2)</sup> Appointed as member on 9 July 2021.

<sup>(3)</sup> Redesignated from Chairman to member on 25 June 2021.

<sup>(4)</sup> Appointed as Chairman on 25 June 2021 and resigned as Chairman on 9 July 2021.

<sup>(5)</sup> Resigned as member on 29 June 2021.

During the FY2021, 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 and recommended the continuation in office as an Independent Non-Executive Director for Datuk Mohd Jimmy Wong Bin Abdullah and Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years;
- (e) Reviewed the composition of the Board and Board Committees;
- (f) Reviewed the independence of the Independent Directors;
- (g) Reviewed, assessed and recommended the appointment of Dato' Mohd Jeffrey Bin Joakim and Mohaini Binti Mohd Yusof as Independent Non-Executive Directors of the Company;
- (h) Reviewed and recommended the revised Evaluation Forms of the Board, Board Committees, External Auditors and Internal Auditors to the Board for approval;
- (i) Conducted annual assessment on effectiveness and performance of the Board, the Board Committees and the individual Directors;
- (j) Reviewed the performance and term of office of AC; and
- (k) 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>.

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 6. Board Committees (cont'd)

##### RC

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, in which all the members are Independent Non-Executive Directors. The composition is as follows:-

RC Members	Designation
Dato' Sri Mohd Mokhtar Bin Mohd Shariff <sup>(1)</sup>	Chairman
Wong Kok Chau	Member
Dato' Mohd Jeffrey Bin Joakim <sup>(2)</sup>	Member
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim <sup>(3)</sup>	Chairman
Datuk Mohd Jimmy Wong Bin Abdullah <sup>(4)</sup>	Member

<sup>(1)</sup> Appointed as Chairman on 9 July 2021

<sup>(2)</sup> Appointed as member on 9 July 2021

<sup>(3)</sup> Resigned as Chairman on 29 June 2021

<sup>(4)</sup> Resigned as member on 9 July 2021

During the FY2021, 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>.

##### RMC

The RMC is responsible to monitor the Group's risk management processes, including overseeing the assessment of key strategic and operational risks.

The RMC comprises three (3) members, in which all members are Independent Non-Executive Directors. The composition is as follows:-

RMC Members	Designation
Dato' Mohd Jeffrey Bin Joakim <sup>(1)</sup>	Chairman
Wong Kok Chau	Member
Mohaini Binti Mohd Yusof <sup>(2)</sup>	Member
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim <sup>(3)</sup>	Chairman
Datuk Mohd Jimmy Wong Bin Abdullah <sup>(4)</sup>	Member

<sup>(1)</sup> Appointed as Chairman on 9 July 2021.

<sup>(2)</sup> Appointed as member on 9 July 2021.

<sup>(3)</sup> Resigned as Chairman on 29 June 2021.

<sup>(4)</sup> Resigned as member on 9 July 2021.

# CORPORATE GOVERNANCE STATEMENT

(CONT'D)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 6. Board Committees (cont'd)

##### RMC (cont'd)

During the FY2021, 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 on page 136 to page 138 of this Annual Report.

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>.

##### AC

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 on page 134 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 which is designed to provide guidance and clarity to Directors and the Management with regard to the role of the Board and its Committees. The Board Charter clearly sets out the key values and principles of the Group and further sets out the duties and responsibilities of the Board, the Chairman of the Board, the Group Managing Director, the Independent Director and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices.

The Board has a formal schedule of matters reserved for the deliberation as set out below, to ensure good governance is in place for the Group:-

- 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
- 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>.

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 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 which engenders ethical conduct that permeates throughout the Group. Whereas, the Board is focused on the creation that imbues throughout the Group. The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. The Code of Ethics is based on the principles in relation to 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 of the Group.

The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also 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 they continuously uphold high standard of conduct when performing their duties.

Subsequent to the introduction of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has established an Anti-Bribery and Anti-Corruption Framework setting 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. Consequential to the establishment of the Anti-Bribery and Anti-Corruption Framework, the Group has then adopted the Anti-Bribery and Anti-Corruption Policy and Anti-Bribery Procedures for Managing Stakeholders.

The Board is provided guidance on disclosure of 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 as 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, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage 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.

# CORPORATE GOVERNANCE STATEMENT

(CONT'D)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 9. Whistle Blowing Policy and Procedures (cont'd)

Besides the abovementioned policies, the Group has also put in place the following:

- Corporate Disclosure Policy 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
- Succession Planning Policy

#### 10. Sustainability

The Company acknowledge 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 towards 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 Secretary

Every Director has unhindered access to the advice and services of the Company Secretaries. The Board believes that the current Company Secretaries are capable of carrying out their duties efficiently to ensure the effective functioning of the Board. 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 the 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 CCM. All the Directors have unrestricted access to the advice and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and the business.

The Company Secretaries constantly 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 its functions.

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

#### 11. Company Secretary (cont'd)

In addition, the Company Secretaries are also 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.

### II. Board Composition

#### 1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate 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 the diversity of backgrounds and competencies of the Directors. Such 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 and four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director, wherein majority of the Board comprises Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Group.

The Board of Directors' profile can be found on page 32 to page 38 of this Annual Report.

#### 2. Independency of Independent Directors

For Independent Directors which exceeds a cumulative term of nine (9) years, the Board would justify and seek 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 to ensure on-going compliance with this requirement annually.

During the year, the NC had assessed and recommended the Board for redesignation of Datuk Mohd Jimmy Wong Bin Abdullah who has exceeded the cumulative term of nine (9) years' service as Independent Non-Executive Director to Non-Independent Non-Executive Director of the Company.

The NC is satisfied that the Independent Director is independent of the Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Group.



# CORPORATE GOVERNANCE STATEMENT

(CONT'D)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition (cont'd)

#### 3. Appointment of Board and Senior Management

The Board comprises of a collective number of 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 will assess the suitability of the candidates before formally considering and recommending them for appointment to the Board. In proposing its recommendation, the NC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. 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 and AGM.

The Board through the NC continued to enhance its diversity by searching for right talent and suitable candidate to be appointed on the Board. Subsequent to the redesignation of Datuk Mohd Jimmy Wong Bin Abdullah to Non-Independent Non-Executive Director and resignation of Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim, the Board had appointed Dato' Mohd Jeffrey Bin Joakim and Mohaini Binti Mohd Yusof, both as Independent Non-Executive Directors of the Company effective 9 July 2021.

#### 4. Gender Diversity

While the Board acknowledges the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions.

The Board has no specific policy on setting targets on female candidates to be appointed to the Board. With the current composition of two (2) female Directors which represents 29% 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 enable them 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

Any proposed appointment of a new member to the Board will be deliberated by the full Board based on the qualifications and experience of the proposed director. The NC would be guided by an internal policy on criteria and skill sets for the Board members in assessing the suitability of the potential candidates for appointment to the Board.

During FY2021, the Board has utilised independent search firms in identifying suitable candidates for appointment of Director.

#### 6. Chairman of the NC

The NC is led by Mohaini Binti Mohd Yusof, the Independent Non-Executive Director, who directs the NC for succession planning, appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the NC with relevant information of the Group's needs, allowing it to source for suitable candidates when the need arises.

#### 7. Annual Evaluation

The NC is responsible in evaluating the performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC's Chairman and supported by the Company Secretary via questionnaires. The NC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition (cont'd)

#### 7. Annual Evaluation (cont'd)

The NC had 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 performance in addressing the Company's material sustainability risks and opportunities.

On 25 February 2022, the NC assessed the effectiveness of the Board, its Committees and the contribution of each Director by identifying the strengths and weaknesses of the Board.

The assessment criteria used in the assessment of Board and individual Directors includes mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contribution of each Director. The Board Committees were assessed 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.

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 relating to:-

- the Board structure;
- the Board operations; and
- the roles and responsibilities of:-
  - (i) the Board
  - (ii) the Chairman; and
  - (iii) the Board Committees
- Elements of ESG

For Directors' peer evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Board Committees' meetings including his/ her 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 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 to the Board for endorsement of the Directors standing for re-election at the forthcoming AGM of the Company. 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 Wong Thean Soon and Wong Kok Chau. Dato' Mohd Jeffrey Bin Joakim and Mohaini Binti Mohd Yusof, who were appointed on 9 July 2021 will also subject for retirement pursuant to Clause 101 of the Constitution of the Company and re-election at the forthcoming AGM.

# CORPORATE GOVERNANCE STATEMENT

(CONT'D)

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 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 its Directors and Senior Management in order for the Group to attract and retain Directors and Senior Management of calibre to run the Group successfully. The responsibilities 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.) which is determined by the Group's overall financial performance in each financial year and is designed to support the Group's strategy and provides a balance between motivating and challenging the Board to deliver the business priorities and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with additional fees if they are members of Board Committees, with the Chairman of the NC, RC, RMC or AC receiving a higher fee in respect of his/her service as Chairman of the respective committees. The fees for Non-Executive Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the RC had reviewed the remuneration for the Directors, and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages to be comparable within the industry norm.

The details of the remuneration of the Board (on named basis) of the Company comprising remuneration received/receivable from the Company and the Group for the FY2021 are set out below:-

	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 #	41	-	-	-	-	41
Mohaini Binti Mohd Yusof #	41	-	-	-	-	41
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim^	43	-	-	-	-	43
<b>TOTAL</b>	<b>717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>717</b>

#### Notes:

- \* The Directors of the Company only received remuneration from the Group.
- # Appointed on 9 July 2021.
- ^ Resigned on 29 June 2021.

## A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### III. Remuneration (cont'd)

The details of the remuneration of the five (5) Senior Management (on named basis) for the FY2021 had been disclosed in the CG Report for FY2021.

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>.

## B. EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AC

The current AC consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, and all of them are financial literate and have sufficient understanding of the Group's business. All the members of the AC undertook continuous professional development to keep 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 128 of this Annual Report.

The Chairman of the AC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the AC's findings and recommendation remains intact.

The AC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the AC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The AC is entrusted to provide assistance to 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 the AC without the presence of the executive Board members and Management at least two (2) times a year on matters relating to the Group and its audit activities. During such 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.

The AC ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

For the FY2021, fees paid to the external auditors, Messrs Crowe Malaysia PLT and its affiliated firms by the Group are stated in the table below:-

Nature of Services	Company (RM'000)	Subsidiaries (RM'000)
<b>Audit</b>	92	418
<b>Non-Audit:</b>		
Review of the Risk Management and Internal Control Statement	3	-

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.

# CORPORATE GOVERNANCE STATEMENT

(CONT'D)

## B. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

### I. AC (cont'd)

Further information on the roles and responsibilities of the AC may be found in the AC Report on page 131 to page 134 of this Annual Report.

### II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management policy has been adopted by the Group. The Group's risk management systems are designed to manage, mitigate and eliminate risks (where possible) to achieve business objectives and 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 a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the existing risk controls.

The Group has outsourced the internal audit function as being the most cost effective means of implementing an internal audit function. The independent third party service provider of the internal audit services for the FY2021 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 its function in accordance with the annual Internal Audit Plan which has been approved by the AC. Vaersa has approximately eight (8) 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 may be found in the Risk Management and Internal Control Statement on page 136 to page 138 and the Management Discussion and Analysis on page 22 to page 31 of this Annual Report.

## C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. Communication with stakeholders

The Board believes that stakeholders' communication is an essential requirement 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 as stipulated in the MMLR of Bursa Securities, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Board recognises the importance of facilitating 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 constantly conducted to enhance mutual understanding.

## C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

### I. Communication with stakeholders *(cont'd)*

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice 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.

The Group's corporate website includes a dedicated Investor Relations section which 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 they are unable to attend the meeting.

In view of the increased COVID-19 outbreak and the total lockdown implemented by the Government as well as part of the safety measures, the Twentieth AGM ("20th AGM") of the Company was conducted entirely through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities. During the 20th AGM, a presentation is 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 20th 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.



# AUDIT COMMITTEE REPORT

The AC had diligently carried out its duties and responsibilities in accordance with its Terms of Reference and discussions were held with the internal auditors, external auditors as well as Senior Management for the FY2021. In the course of its duties during the financial year, the AC is of the view that no material misstatement or loss, contingencies or uncertainties have emerged.

## MEMBERS OF THE AUDIT COMMITTEE AND MEETINGS

### Members of the AC

The AC comprises of three (3) members, majority of whom are Independent Non-Executive Directors and at least one member is a member of the Malaysian Institute of Accountant. The AC meets the requirements of paragraph 15.09(1) of the MMLR of Bursa Securities. No alternate director is appointed as a member of the AC.

During the financial year, the members of the AC 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 <sup>(1)</sup>	Member, Independent Non-Executive Director
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim <sup>(2)</sup>	Chairman, Independent Non-Executive Director

(1) Appointed as member on 9 July 2021

(2) Resigned as Chairman on 29 June 2021

All members of the AC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties, roles, and responsibilities for the Company.

### Meetings

The AC convened four (4) meetings during the FY2021. The meetings were appropriately structured through the use of agendas, which were distributed to members of the AC with sufficient notification and attached with comprehensive information on matters to be discussed.

The attendance of the AC members during the FY2021 are as follows:

Name of AC Members	Meetings attended
Wong Kok Chau	4/4
Datuk Mohd Jimmy Wong Bin Abdullah	4/4
Mohaini Binti Mohd Yusof <sup>(1)</sup>	2/2
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim <sup>(2)</sup>	2/2

(1) Appointed as member on 9 July 2021

(2) Resigned as Chairman on 29 June 2021

Details of the members of the AC are contained in the Profile of Directors as set out on pages 32 to 38 of this report.

The Company Secretaries or their representatives were present at all the meetings. Upon invitation, representatives of the external auditors, outsourced internal auditors and the Senior Management also attended specific meetings to facilitate direct communication and to provide clarifications on audit issues, internal control and the operations of the Group.

Minutes of the AC meetings were disseminated electronically as well as in hardcopy to all the members of AC and the Board. The Chairman of the AC reported to the Board on key matters deliberated during the AC meetings.

## MEMBERS OF THE AUDIT COMMITTEE AND MEETINGS (CONT'D)

### 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.

Meeting Dates:-

#### Outsourced Internal Auditors

- 23 August 2021
- 29 November 2021

#### External Auditors

- 3 March 2021
- 3 December 2021

## TERMS OF REFERENCE

The Terms of Reference of the AC were as follows:

### 1. Objectives

The AC was established by the Board of the Company with the objective of assisting the Board in meeting its responsibilities in the following areas:-

- In complying with specified accounting standards and required disclosure as administered by Bursa Securities, relevant accounting standards bodies, and any other laws and regulations as amended from time to time;
- In presenting a balanced and understandable assessment of the Company's position and prospects; and
- In establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's external and internal auditors.

### 2. Composition

The AC shall be appointed from amongst the Board and shall comprise no fewer than three (3) members, a majority of whom shall be Independent Directors and all shall be Non-Executive Directors, at least one (1) member must be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved by the Bursa Securities. A former key audit partner is required to observe a cooling-off period of at least three (3) years. No alternate director shall be appointed as a member of the AC. Membership of the AC shall be disclosed in the annual report of the Company.

Pursuant to Practice note 1.4 of the Malaysian Code on Corporate Governance 2021, the Chairman of the Board should not be a member of or involved in the AC, NC or RC. This is to ensure there is check and balance as well as objective review by the Board.

In the event of any vacancy with the result that the number of members (including Chairman) is reduced to below three (3), the Board shall upon the recommendation of the NC to fill the vacancy within two (2) months but in any case not later than three (3) months. Therefore, a member of the AC who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

The appointment of AC member terminates when the member ceases to be a Director, or as determined by the Board.

# AUDIT COMMITTEE REPORT

(CONT'D)

## TERMS OF REFERENCE (CONT'D)

The Terms of Reference of the AC were as follows: (cont'd)

### 2. Composition (cont'd)

The AC members shall be financially literate, competent and are able to understand matters under the purview of the AC including the financial reporting process and collectively:-

- Have knowledge of the industries in which the Company and its subsidiaries operates; and
- Have the ability to understand key business and financial risks and related controls and control processes.

The Board must via the NC review the terms of office and performance of AC members annually to determine whether the AC members have carried out their duties in accordance with its terms of reference.

### 3. Chairman

The Chairman, who shall be elected by the AC, shall be an Independent Director and is not the Chairman of the Board. In the event of the Chairman's absence, the meeting shall be chaired by another Independent Director.

### 4. Secretary

The secretary of the Company or his/her representative shall act as the secretary of the AC ("**Secretary**"). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the AC.

The Secretary shall also be responsible for keeping the minutes of meetings of the AC and circulating them to the AC members. The AC members may inspect the minutes of the AC at the Registered Office or such other place may be determined by the AC.

### 5. Quorum and Meeting Procedures

The AC shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority members present at the meeting shall be independent.

The AC may call for a meeting as and when required with reasonable notice as the AC members deem fit. The AC members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

By invitation of the AC, the Group Managing Director and other appropriate officers may be invited to attend the AC meeting, where their presence are considered appropriate as determined by the AC's Chairman.

An AC member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member. Where this causes insufficient AC members to make up a quorum, the AC has the right to invite / appoint any Director or Directors from the Board (excluding the Chairman of the Board) to fulfil the membership criteria temporarily. A notice of invitation/appointment is issued to the selected Director or Directors to attend the meeting.

All decisions at such meeting shall be decided on a show of hands on a majority of votes.

The AC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing, signed, approved or assented by letter, electronic mail, telegram, telex or telefax or other electronic communication by all AC members shall be as valid and effectual as if it had been passed at a meeting of the AC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one (1) or more AC members and may be transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the AC members including but not limited to signing with a platform such as DocuSign.

The AC shall meet at least two (2) times a year with the external auditors and internal auditors to discuss any matters without the presence of the Senior Management and any executive members of the Board.

## TERMS OF REFERENCE (CONT'D)

The Terms of Reference of the AC were as follows: (cont'd)

### 6. Reporting Responsibilities

The Chairman of the AC is responsible for reporting to the Board on the AC's activities.

The AC shall make recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

### 7. Rights

The AC shall:-

- a) Have authority to investigate any matter within its terms of reference;
- b) Have the resources which are required to perform its duties;
- c) Have full and unrestricted access to any employee and information pertaining to the Group which is required for the purpose of discharging its functions and responsibilities;
- d) Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity and senior management of the Company;
- e) Have the right to obtain independent professional or other advice at the Company's expense;
- f) Have the right to convene meetings with the external auditors and the persons carrying out the internal audit function, excluding the attendance of the management and any executive members of the Board, whenever deemed necessary;
- g) Promptly report to the Bursa Securities, or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board resulting in a breach of the listing requirements;
- h) Have the right to pass resolutions by a simple majority vote from the AC and that the Chairman shall have the casting vote should a tie arise;
- i) Meet as and when required on a reasonable notice; and
- j) The Chairman shall call for a meeting upon the request of the external auditors or internal auditors.

### 8. Responsibilities and Duties

#### External Auditors

- a) To review with the external auditors on:-
  - The audit plan, its scope and nature;
  - The audit report;
  - The results of their evaluation of the accounting policies and systems of internal accounting controls within the Group;
  - The assistance given by the officers of the Company to external auditors, including any difficulties or disputes with management encountered during the audit; and
  - Any other matters the external auditors may wish to discuss in the absence of the management, if necessary.
- b) To review the adequacy of the scope, functions and resources and set the standards of the internal audit function.

# AUDIT COMMITTEE REPORT

(CONT'D)

## TERMS OF REFERENCE (CONT'D)

The Terms of Reference of the AC were as follows: (cont'd)

### 8. Responsibilities and Duties (cont'd)

#### External Auditors (cont'd)

##### c) To review with Senior Management:-

- Audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
- Interim financial information; and
- The assistance given by the officers of the Company to external auditors

##### d) To discuss problems and reservations arising from interim and final audits, and any matter the external and internal auditors may wish to discuss (in the absence of Senior Management where necessary).

##### e) To set policies and procedures to assess the suitability, objectivity and independence of the external auditors.

##### f) To consider the appointment and/or re-appointment of auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors. In considering the appointment and/or re-appointment of the auditors, to consider among others:-

- The adequacy of the experience and resources of the accounting firm;
- The persons assigned to the audit;
- The accounting firm's audit engagements;
- The size and complexity of the Company's Group being audited; and
- The number and experience of supervisory and professional staff assigned to the particular audit.

The AC is to consider the performance of the external auditors and its independence annually as below:-

- The competence, audit quality and resource capacity of the external auditors in relation to the audit;
- The external auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
- The information presented in the Annual Transparency Report of the audit firm;
- The nature of the non-audit services provided by the external auditors and fees paid for such services relative to the audit fee;
- Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditors; and
- Obtaining written assurance from the external auditors confirming that they are and have been independent throughout the conduct of the audit engagement and in accordance with the terms of all relevant regulatory requirements.

##### g) To review and approve the non-audit services provided by the external auditors and/or its network firms to the Company for the financial year, including the nature of the non-audit services, fees for the non-audit services relative to the external audit fees and safeguards deployed to eliminate or reduce the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided.

In the event that the non-audit fees paid to the Company's external auditors, or a firm or corporation affiliated to the external auditors' firm are significant (e.g. constitute 50% of the total amount of audit fees paid to the Company's external auditors) the Company is required to state the details on the nature of non-audit services-rendered in the Annual Report under the AC Report.

## TERMS OF REFERENCE (CONT'D)

The Terms of Reference of the AC were as follows: (cont'd)

### 8. Responsibilities and Duties (cont'd)

#### Internal Audit

- h) To approve the Internal Audit Charter and review the adequacy of the scope, functions, competency and resources of the internal auditors, and that it has the necessary authority to carry out its work.
- i) To review the internal audit programme, processes, the results of the internal audit programme and process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function.
- j) To consider the major findings of internal audit and Management's responses, monitor the implementation of any recommendations made therein and ensure effective coordination between the internal and external auditors.
- k) To review any appraisal or assessment of the performance of members of the internal audit function.
- l) To review the independency of members of the internal audit function.
- m) To approve any appointment or termination of the Internal Auditors.
- n) To take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- o) To review the necessary budget allocated to internal audit function.
- p) To investigate or cause to be investigated any activity within its Terms of Reference.
- q) To have explicit authority over the resources such as professional advice and full access to information to investigate certain matters.
- r) Where appropriate, supervise any special project or investigations considered necessary, to be carried out by Internal Auditors, as and when necessary and consider the major findings of the internal investigations and Management's response.

#### Financial Management

- s) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board, focusing particularly on:-
  - Changes in or implementation of major accounting policy and practices;
  - Significant and/or unusual matters highlighted including financial reporting issues, significant judgements made by Senior Management, significant and unusual events or transactions and how these matters are being addressed;
  - The going concern assumption;
  - Compliance with accounting standards and other legal requirements; and
  - Major areas.

#### Related Party Transactions

- t) To review and monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis, normal commercial terms, on terms not more favourable to the related parties than those generally available to the public, to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of Senior Management integrity.



# AUDIT COMMITTEE REPORT

(CONT'D)

## TERMS OF REFERENCE (CONT'D)

The Terms of Reference of the AC were as follows: (cont'd)

### 8. Responsibilities and Duties (cont'd)

#### Other Matters

- u) To verify any allocation of options in accordance with the employees share scheme of the Company, to ensure in compliance with the criteria for allocation of options under the share issuance scheme at the end of the financial year.
- v) To consider other areas as defined by the Board or as may be prescribed by Bursa Securities or any other relevant authority from time to time.
- w) To report promptly any matters resulting in the breach of listing requirements to the Board. Where the AC is of the opinion that such matter reported by it to the Board has not been satisfactorily resolved, the AC shall promptly report such matter to Bursa Securities;
- x) Carry out any other function that may be mutually agreed upon by the AC and the Board.

### 9. Annual General Meeting

The Chairman of the AC should attend the annual general meeting to answer questions raised by the shareholders pertaining to the AC's activities.

### 10. Revision of the Terms of Reference

This Terms of Reference shall be reviewed annually by the AC. Any revision or amendment to the Terms of Reference, shall first be presented to the Board for its approval.

## SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AC

During the FY2021, the AC carried out the following activities in discharging its functions and duties, including the deliberation on and review of:-

- 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.
- b) the annual report and annual audited financial statements of the Group prior to submission to the Board for their consideration and approvals.
- 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 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.
- f) 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.

## SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AC (CONT'D)

During the FY2021, the AC carried out the following activities in discharging its functions and duties, including the deliberation on and review of:- (cont'd)

- g) the effectiveness of the internal auditors to ensure they have discharged their functions and responsibilities effectively.
- h) the related party transactions entered into by the Group to ensure that they were not detrimental to the interests of minority shareholders.
- i) the Terms of Reference of AC to ensure that most of the good practices recommended in the MCCG have been implemented by the Company.
- j) complaints / cases reported in relation to the Whistle Blowing policy.

## 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 based on a risk-based approach to evaluate and enhance the Group's risk management, controls and governance processes to assist the Senior Management in achieving its corporate goals.

During the FY2021, the internal audit function of the Group is 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 as adequate measures are in place. The AC is contented that Vaersa has sufficient resources and is able to access information to undertake its duties effectively.

The internal audit reviews were carried out in accordance with the approved internal audit plan which covered the adequacy and effectiveness of the operational controls in mitigating risks, compliance with established policies and procedures, authority limits and applicable laws. The results of the reviews were formally reported to the AC and in this regard, Senior Management has taken note of the findings and duly acted upon the recommendations made by Vaersa. The internal audit reviews did not reveal any significant weaknesses and consequential provides reasonable assurance on the effectiveness of the Group's systems of internal control and the adequacy of these systems to mitigate business risks and to safeguard the Group's assets and resources.

The total cost incurred for the internal audit function for the financial year under review was approximately RM30,000. Further details of the internal audit function are set out in the Risk Management and Internal Control Statement on pages 137.

# RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

## INTRODUCTION

The Board is pleased to present its Risk Management and Internal Control Statement for FY2021 which has been prepared pursuant to paragraph 15.26(b) of the MMLR and Principle B of the MCCG and as guided by 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 overall responsibility towards maintaining a sound system of risk management and internal control, and reviewing its adequacy and effectiveness to ensure shareholders’ interest and the Group’s assets are safeguarded.

Given the inherent limitations in the risk management and internal control system, such a system put into effect by the Management is designed to identify, evaluate, manage and monitor risks rather than eliminate risks that may impede the Group’s achievement of the corporate objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities.

## RISK MANAGEMENT FRAMEWORK

The Board recognises that risk management should be an integral part of the business operation. On a day-to-day basis, respective Heads of Departments are responsible for identifying, evaluating, managing and mitigating both existing and potential risks related to their functions and/or departments.

Weekly management meetings are held to ensure that the risks encountered by the Group are monitored and properly addressed. It is at these meetings that key risks and corresponding controls implementation is communicated amongst the Senior Management team.

The RMC, comprising of entirely independent directors, provides oversight on risk management matters relating to the activities of the Group and ensures prudent risk management over the Group’s operations and businesses. It has constituted the RMWG with an objective to assist the RMC in fulfilling its oversight responsibilities with respect to the Group’s risk management processes including assessment of key strategic and operational risk. The RMWG, comprising of key management staff, conducts their risk management activities and prepares quarterly risk assessment report. Whereas, our in-house internal audit team performs audit work to identify any significant risks of the department. Both RMWG and 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 RMWG had met four (4) times with the RMC to update their respective department 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 25 February 2022 where it was assessed to be adequate and as for now no further amendments were required by the Board.

The abovementioned risk management practices of the Group are the on-going 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.

## INTERNAL AUDIT FUNCTION

The Group has appointed an outsourced internal audit service provider, namely Vaersa, to carry out the internal audit function apart from our in-house internal audit team. Vaersa discharges its independent assessment of the effectiveness and adequacy of the Group's system of internal control. This provides the AC and Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function and internal control.

The assessment of the adequacy and effectiveness of the internal controls established by the Management in mitigating risks is conducted regularly through interviews and discussions with key management staff, review of the relevant established policies and procedures, and authority limits and observing and testing of the internal controls on a sample basis. The results of the internal audit reviews including action plans to be taken by the Management to address the identified weaknesses and recommendation of enhancement opportunities are then reported to the AC, which in turn reports these matters to the Board.

During the FY2021, internal audit works were carried out in accordance with the risk based on internal audit plan which has been reviewed and approved by the AC. The business processes audit reviews were on Finance Department (sales), Human Resources Department, Industrial Relation Department, Myassist Operations review, and Information Technology Department. 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, none of the weaknesses noted have 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 FY2021 was approximately RM30,000.

Vaersa had met with AC on 28 May 2021, 23 August 2021, and 29 November 2021 with as well as without the presence of executive board members and the 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

The Group Managing Director and Chief Financial Officer have provided assurance to the Board on the adequacy and effectiveness of the Group's risk management and internal controls, in all material aspects. Taking into consideration the assurance from the Management and relevant assurance providers, the Board is of the view that the risk management and internal control practices and processes are operating adequately and effectively to safeguard the shareholders' investment, customer's interests, and Group's assets.

# RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

(CONT'D)

## CONCLUSION

The Board is of the view that the Group's system of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal controls. The Group's risk management and internal controls systems do not apply to the associate companies. The Group's interest in the associate companies is served through Board representation and periodic review of the associate companies' management accounts by Senior Management and the Board.

## REVIEW BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the MMLR, the External Auditors have reviewed this Risk Management and Internal Control 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 to be set out, nor is factually inaccurate.

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

## 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 the subsidiaries are set out in Note 5 to the financial statements.

## RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	316,705	29,939
Attributable to:-		
Owners of the Company	315,940	29,939
Non-controlling interests	765	-
	316,705	29,939

## DIVIDENDS

Dividends paid or declared by the Company since 31 December 2020 are as follows:-

	RM'000
<u>In respect of the financial year ended 31 December 2020</u>	
A final dividend of 1.70 sen per ordinary share, approved by the shareholders at the Annual General Meeting held on 1 July 2021, paid on 9 September 2021	61,005
<u>In respect of the financial year ended 31 December 2021</u>	
A first interim dividend of 0.25 sen per ordinary share, paid on 11 November 2021	17,997
	79,002

At the forthcoming Annual General Meeting, a final dividend of 1.03 sen per ordinary share amounting to approximately RM76.31 million in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2022.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.



# DIRECTORS' REPORT

(CONT'D)

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM634,262,802 to RM854,894,698 by:-
- (i) issuance of 18,380,084 new ordinary shares from the exercise of Dividend Reinvestment Plan ("DRP") at an exercise price of RM1.65 per share amounting to RM30,327,139 as disclosed in Note 23 to the financial statements; and
  - (ii) issuance of 210,000,000 new ordinary shares from the exercise of the first tranche private placement for a cash consideration of RM208,505,058 as disclosed in Note 23 to the financial statements.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

## TREASURY SHARES

During the financial year, the Company purchased 49,336,800 of its issued ordinary shares from the open market at an average price of RM1.58 per share. The total consideration paid for the shares purchased was RM77,929,074 including transaction costs. The ordinary shares purchased 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. In addition, the Company had cancelled 182,003,000 of its treasury shares at an average price of RM0.70 with a total carrying amount of RM127,217,241.

As at 31 December 2021, the Company held as treasury shares a total of 12,000,000 of its 7,408,616,642 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM12,364,074. The details of the treasury shares are disclosed in Note 24 to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

## VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances 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.

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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, in the opinion of the directors, 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.

## DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

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 (Appointed on 9 July 2021)  
Mohaini Binti Mohd Yusof (Appointed on 9 July 2021)  
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim (Resigned on 29 June 2021)

## DIRECTORS' REPORT

(CONT'D)

### DIRECTORS (CONT'D)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Dato' Raja Haji Munir Shah Bin Raja Mustapha  
 Datuk Nor Adnan Bin Zainal Abidin  
 Chong Chien Ming  
 Chong Mei Yee  
 Cheong Kok Leong  
 Khaw Siong Long  
 Malcolm Caesar Leong Sze Kwong  
 Tan Seong Yeau  
 Sean Cornelius Yoong Wan Yen  
 Zulhelmi Bin Othman  
 Tan Kai Jie  
 Wong Thean Chye  
 Priyaa Darshini A/P Paremasivem (Appointed on 22 January 2021)  
 Chan Yat Choong (Appointed on 20 April 2021)  
 Chow Kah Siong (Appointed on 20 April 2021)  
 Ong Hong Tiong (Appointed 1 May 2021)  
 Ong Eng Huat (Appointed 1 May 2021)  
 Ding XiaoTing (Appointed on 12 July 2021)  
 Xu Bo (Appointed on 12 July 2021)  
 Lu Peng Fei (Appointed on 17 November 2021)  
 Benjamin Low Ewe Ee (Appointed on 31 December 2021)  
 Chu Zhi Ning (Appointed on 31 December 2021)  
 Elaine Daly (Resigned on 24 December 2021)  
 Lim Gian Huang (Resigned on 31 December 2021)

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	← Number of Ordinary Shares →					
	At 1.1.2021	DRP	Bonus Issue <sup>(2)</sup>	Bought	Sold	At 31.12.2021
<b>The Company</b>						
<i>Direct Interests</i>						
Dato' Dr Norraesah Binti Haji Mohamad	26,516,445	273,199	26,789,644	-	-	53,579,288
Wong Thean Soon	385,875,855	3,824,370	431,529,325	83,079,100	(10,250,000)	894,058,650
Datuk Mohd Jimmy Wong Bin Abdullah	3,376,687	34,790	3,411,477	-	-	6,822,954
<i>Indirect Interests</i>						
Wong Thean Soon <sup>(1)</sup>	732,275,244	7,536,921	728,877,565	27,784,400	(63,500,000)	1,432,974,130

<sup>(1)</sup> Indirect interests through his interests in Asia Internet Holdings Sdn. Bhd. ("AIH") by virtue of Section 8 of the Companies Act 2016.

<sup>(2)</sup> Bonus issue of ordinary shares on the basis of 1 bonus share for every 1 existing ordinary share held.

### DIRECTORS' INTERESTS (CONT'D)

By virtue of his shareholdings in the Company, Wong Thean Soon is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no 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 has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 44 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is 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' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 43 to the financial statements.

### INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 49 to the financial statements.

### SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 50 to the financial statements.



## **DIRECTORS' REPORT**

(CONT'D)

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### **AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 37 to the financial statements.

Signed in accordance with a resolution of the directors dated 26 April 2022.

**Wong Thean Soon**

**Dato' Dr Norraesah Binti Haji Mohamad**

## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Wong Thean Soon and Dato' Dr Norraesah Binti Haji Mohamad, being two of the directors of MY E.G. Services Berhad, state that, in the opinion of the directors, the financial statements set out on pages 150 to 256 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 of 31 December 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 26 April 2022.

**Wong Thean Soon**

**Dato' Dr Norraesah Binti Haji Mohamad**

## STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Wong Thean Soon, being the director primarily responsible for the financial management of MY E.G. Services Berhad, do solemnly and sincerely declare that the financial statements set out on pages 150 to 256 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Wong Thean Soon, NRIC Number: 710604-08-5153  
at Kuala Lumpur  
in the Federal Territory  
on this 26 April 2022.

**Wong Thean Soon**

Before me

**Datin Hajah Raihela Wanchik**  
No. W-275  
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 2021 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 150 to 256.

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 2021, and of their financial performance and 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 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 Refer to Notes 4.1(e) and 14 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As disclosed in Note 14 to the financial statements, financing receivables as at the reporting date amounted to approximately RM319.28 million representing 17% of total assets of the Group.</p> <p>The management assessed the level of allowance for impairment 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 impairment losses.</p> <p>We considered this as a key audit matter due to the significance of financing receivables and the uncertainty inherent in determining the level of allowance for impairment 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 impairment loss 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 disclosures in this area.</li></ul>

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Key Audit Matters (cont'd)

<b>Fair Value Assessment of Other Investments</b> Refer to Notes 4.1(g) and 11 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>As disclosed in Note 11 to the financial statements, other investments as at the reporting date amounted to approximately RM246.49 million representing 13% of total asset of the Group. Other investments are carried at fair value through other comprehensive income.</p> <p>The management's determination of other investments' fair value involves significant assumptions on future results of the businesses. In particular, key assumptions are made on, among others, growth rates and discount rates in the cash flow forecasts.</p> <p>This assessment involves significant judgement and there is inherent uncertainty in the assumptions applied by the management to determine the fair values of other investments.</p> <p>We considered this as a key audit matter due to the significance of other investments of the Group and the uncertainty inherent in determining the fair value of these other investments.</p>	<p>Our 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>
<b>Impairment of Development Costs</b> Refer to Note 4.1(h) and 12 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>As disclosed in Note 12 to the financial statements, development costs as at the reporting date amounted to approximately RM322.52 million representing approximately 17% 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 a key audit matter due to the significance of the carrying amount and the uncertainty inherent in determining the recoverable amounts.</p>	<p>Our 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 the 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>

# 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 (CONT'D)

### 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.

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 the 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 a 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 skepticism 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 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.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 or the Company to cease to continue as a going concern.
- 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 5 to the financial statements.

## OTHER MATTERS

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.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur  
26 April 2022

**Lee Kok Wai**  
02760/06/2022 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

At 31 December 2021

	Note	The Group		The Company	
		2021	2020	2021	2020
		RM'000	RM'000 (Restated)	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	20,395	19,895
Investments in associates	6	16,133	12,810	-	-
Investments in joint ventures	7	9,255	6,121	12,249	8,423
Property and equipment	8	300,722	286,298	183,960	182,101
Investment properties	9	29,660	30,313	105,464	107,784
Right-of-use assets	10	10,141	6,253	308	601
Other investments	11	246,493	138,000	-	-
Development costs	12	322,515	171,258	66,215	92,841
Goodwill on consolidation	13	20,002	18,454	-	-
Financing receivables	14	279,316	196,667	-	-
		1,234,237	866,174	388,591	411,645
CURRENT ASSETS					
Inventories	15	18,324	3,428	-	-
Financing receivables	14	39,961	32,964	-	-
Trade receivables	16	290,775	172,783	2,128	1,003
Other receivables, deposits and prepayments	17	205,898	103,959	97,826	58,204
Amount owing by subsidiaries	18	-	-	843,351	697,403
Amount owing by associates	19	28	5	#	#
Amount owing by joint ventures	20	2,510	514	-	-
Current tax assets		2,592	2,295	-	-
Fixed deposits with licensed banks	21	16,165	12,829	8,030	7,688
Cash and bank balances	22	73,114	221,784	31,993	95,612
		649,367	550,561	983,328	859,910
TOTAL ASSETS		1,883,604	1,416,735	1,371,919	1,271,555

# - represents an amount less than RM1,000

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

At 31 December 2021

(CONT'D)

	Note	The Group		The Company	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
(Restated)					
EQUITY AND LIABILITIES					
EQUITY					
Share capital	23	854,895	634,262	854,895	634,262
Treasury shares	24	(12,364)	(61,652)	(12,364)	(61,652)
Reserves	25	704,532	576,612	379,762	537,842
Equity attributable to owners of the Company		1,547,063	1,149,222	1,222,293	1,110,452
Non-controlling interests		(5,614)	(6,399)	-	-
TOTAL EQUITY		1,541,449	1,142,823	1,222,293	1,110,452
NON-CURRENT LIABILITIES					
Lease liabilities	26	2,909	1,911	41	172
Long-term borrowings	27	95,567	120,840	87,982	109,985
Deferred tax liabilities	30	2,921	2,373	1,910	1,910
		101,397	125,124	89,933	112,067
CURRENT LIABILITIES					
Trade payables	31	101,609	72,404	3,813	2,300
Other payables and accruals	32	67,900	26,839	16,262	6,896
Amount owing to subsidiaries	18	-	-	997	1,362
Amount owing to associates	19	24	33	-	-
Deferred revenue	33	1,544	1,252	-	-
Current tax liabilities		2,074	36	24	14
Lease liabilities	26	2,627	3,546	272	439
Short-term borrowings	34	64,980	44,678	38,325	38,025
		240,758	148,788	59,693	49,036
TOTAL LIABILITIES		342,155	273,912	149,626	161,103
TOTAL EQUITY AND LIABILITIES		1,883,604	1,416,735	1,371,919	1,271,555

The annexed notes form an integral part of these financial statements.



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
REVENUE	35	721,877	530,463	143,170	308,735
COST OF SALES		(283,110)	(166,757)	(77,444)	(8,087)
GROSS PROFIT		438,767	363,706	65,726	300,648
OTHER INCOME		4,546	2,261	15,145	17,210
		443,313	365,967	80,871	317,858
ADMINISTRATIVE EXPENSES		(66,321)	(55,528)	(23,504)	(18,387)
OTHER EXPENSES		(47,857)	(31,379)	(21,750)	(16,107)
FINANCE COSTS		(6,716)	(8,063)	(5,564)	(6,765)
NET IMPAIRMENT (LOSSES)/GAINS ON FINANCIAL ASSETS	36	(279)	(403)	-	195
SHARE OF NET LOSS ON EQUITY ACCOUNTED ASSOCIATES		(765)	(937)	-	-
SHARE OF NET LOSS ON EQUITY ACCOUNTED JOINT VENTURES		(692)	(699)	-	-
PROFIT BEFORE TAXATION	37	320,683	268,958	30,053	276,794
INCOME TAX EXPENSE	38	(3,978)	(1,764)	(114)	(164)
PROFIT AFTER TAXATION CARRIED FORWARD		316,705	267,194	29,939	276,630

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2021  
(CONT'D)

	Note	The Group		The Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
PROFIT AFTER TAXATION BROUGHT FORWARD		316,705	267,194	29,939	276,630
OTHER COMPREHENSIVE INCOME					
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		(1)	(18)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		316,704	267,176	29,939	276,630
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		315,940	268,656	29,939	276,630
Non-controlling interests		765	(1,462)	-	-
		316,705	267,194	29,939	276,630
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>					
Owners of the Company		315,939	268,638	29,939	276,630
Non-controlling interests		765	(1,462)	-	-
		316,704	267,176	29,939	276,630
<b>EARNINGS PER SHARE (SEN)</b>	39				
Basic		4.4	3.8		
Diluted		4.4	3.8		

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

← Non-Distributable → Distributable

	Note	Share Capital RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
<b>The Group</b>									
Balance at 1.1.2020		360,630	(144,743)	6,401	38	490,606	712,932	(4,937)	707,995
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	268,656	268,656	(1,462)	267,194
Other comprehensive income for the financial year:									
- Foreign currency translation differences		-	-	-	(18)	-	(18)	-	(18)
Total comprehensive income for the financial year		-	-	-	(18)	268,656	268,638	(1,462)	267,176
Contributions by and distributions to owners of the Company:									
- Issuance of new shares	23	14,975	-	-	-	-	14,975	-	14,975
- Issuance of ordinary shares pursuant to DRP	23	58,398	-	-	-	-	58,398	-	58,398
- Issuance of ordinary shares pursuant to private placement	23	211,509	-	-	-	-	211,509	-	211,509
- Purchase of treasury shares	24	-	(30,914)	-	-	-	(30,914)	-	(30,914)
- Cancellation of treasury shares	23, 24	(11,250)	114,005	-	-	(102,755)	-	-	-
- Dividends:									
- by the Company	41	-	-	-	-	(86,316)	(86,316)	-	(86,316)
Total transactions with owners		273,632	83,091	-	-	(189,071)	167,652	-	167,652
Balance at 31.12.2020/1.1.2021		634,262	(61,652)	6,401	20	570,191	1,149,222	(6,399)	1,142,823

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

(CONT'D)

← Non-Distributable → Distributable

	Note	Share Capital RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
<b>The Group</b>									
Balance at 31.12.2020/1.1.2021		634,262	(61,652)	6,401	20	570,191	1,149,222	(6,399)	1,142,823
Profit after taxation/Total comprehensive income 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
Contributions by and distributions to owners of the Company:									
- Issuance of ordinary shares pursuant to DRP	23	30,327	-	-	-	-	30,327	-	30,327
- Issuance of ordinary shares pursuant to private placement	23	208,506	-	-	-	-	208,506	-	208,506
- Purchase of treasury shares	24	-	(77,929)	-	-	-	(77,929)	-	(77,929)
- Cancellation of treasury shares	23, 24	(18,200)	127,217	-	-	(109,017)	-	-	-
- Issuance of ordinary shares to non-controlling interest		-	-	-	-	-	-	20	20
- Dividends:									
- by the Company	41	-	-	-	-	(79,002)	(79,002)	-	(79,002)
Total transactions with owners		220,633	49,288	-	-	(188,019)	81,902	20	81,922
Balance at 31.12.2021		854,895	(12,364)	6,401	19	698,112	1,547,063	(5,614)	1,541,449

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

(CONT'D)

	Note	Share Capital RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total Equity RM'000
<b>The Company</b>					
Balance at 1.1.2020		360,630	(144,743)	450,283	666,170
Profit after taxation/Total comprehensive income for the financial year		-	-	276,630	276,630
Contributions by and distributions to owners of the Company:					
- Issuance of new shares	23	14,975	-	-	14,975
- Issuance of ordinary shares pursuant to DRP	23	58,398	-	-	58,398
- Issuance of ordinary shares pursuant to private placement	23	211,509	-	-	211,509
- Purchase of treasury shares	24	-	(30,914)	-	(30,914)
- Cancellation of treasury shares	23, 24	(11,250)	114,005	(102,755)	-
- Dividends	41	-	-	(86,316)	(86,316)
Total transactions with owners		273,632	83,091	(189,071)	167,652
Balance at 31.12.2020/1.1.2021		634,262	(61,652)	537,842	1,110,452
Profit after taxation/Total comprehensive income for the financial year		-	-	29,939	29,939
Contributions by and distributions to owners of the Company:					
- Issuance of ordinary shares pursuant to DRP	23	30,327	-	-	30,327
- Issuance of ordinary shares pursuant to private placement	23	208,506	-	-	208,506
- Purchase of treasury shares	24	-	(77,929)	-	(77,929)
- Cancellation of treasury shares	23, 24	(18,200)	127,217	(109,017)	-
- Dividends	41	-	-	(79,002)	(79,002)
Total transactions with owners		220,633	49,288	(188,019)	81,902
Balance at 31.12.2021		854,895	(12,364)	379,762	1,222,293

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	320,683	268,958	30,053	276,794
Adjustments for:-				
Amortisation of development costs	22,131	5,056	8,131	2,438
Bad debts written off	46	8	-	-
Depreciation of property and equipment	23,056	23,752	11,316	11,279
Depreciation of investment properties	653	653	2,320	2,320
Depreciation of right-of-use assets	4,581	5,909	530	731
Equipment written off	26	142	15	-
Impairment losses:				
- trade receivables	45	-	-	-
- financing receivables	239	602	-	-
Interest expense on lease liabilities	241	304	17	24
Other interest expense	6,545	7,961	5,563	6,765
Inventories written down	313	69	-	-
Share of net loss on equity accounted:				
- associates	765	937	-	-
- joint ventures	692	699	-	-
Dividend income	(140)	-	(1,000)	(300,000)
Gain on disposal of equipment	(48)	(9)	(29)	
Gain on disposal of right-of-use assets	-	(110)	-	-
Gain on modification of leases	(1)	(75)	-	(2)
Interest income	(2,958)	(493)	(8,986)	(12,281)
Reversal of impairment loss:				
- trade receivables	(5)	(2)	-	-
- other receivables	-	(2)	-	-
- amount owing by associates	-	(195)	-	(195)
Reversal of inventories previously written down	(22)	(17)	-	-
Unrealised loss/(gain) on foreign exchange	43	(56)	(15)	(4)
Operating profit/(loss) before working capital changes carried forward	376,885	314,091	47,915	(12,131)

The annexed notes form an integral part of these financial statements.



# STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021  
(CONT'D)

	Note	The Group		The Company	
		2021	2020	2021	2020
		RM'000	RM'000 (Restated)	RM'000	RM'000
Operating profit/(loss) before working capital changes brought forward		376,885	314,091	47,915	(12,131)
Increase in inventories		(15,187)	(235)	-	-
(Increase)/Decrease in financing receivables		(89,931)	88,798	-	-
Increase in trade and other receivables		(219,964)	(63,703)	(40,747)	(24,224)
Increase in trust account balances		-	#	-	-
Increase/(Decrease) in trade and other payables		69,832	(33,478)	10,879	(5,664)
Increase in amount owing by subsidiaries		-	-	(25,613)	(190,592)
(Increase)/Decrease in amount owing by joint ventures		(1,996)	(419)	-	95
Increase in amount owing by associates		(32)	(161)	-	(195)
Increase in deferred revenue		292	93	-	-
<b>CASH FROM/(FOR) OPERATIONS</b>		<b>119,899</b>	<b>304,986</b>	<b>(7,566)</b>	<b>(232,711)</b>
Income tax paid		(1,689)	(2,568)	(104)	(164)
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>		<b>118,210</b>	<b>302,418</b>	<b>(7,670)</b>	<b>(232,875)</b>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>					
Advances to subsidiaries		-	-	(50,700)	(63,461)
Additions of right-of-use assets	42(a)	(4,806)	(39)	-	-
Dividend received		140	-	1,000	300,000
Development costs incurred		(243,388)	(175,460)	(51,505)	(94,710)
Interest income received		2,958	493	8,986	63
Increase in pledged deposits with licensed banks		(714)	(388)	(342)	-
Proceeds from disposal of equipment		268	562	29	-
Proceeds from disposal of right-of-use assets		-	168	-	-
Purchase of property and equipment		(36,840)	(7,472)	(13,190)	(620)
Purchase of:					
- other investments		(38,493)	(103,400)	-	-
- a subsidiary		-	-	(500)	(1,000)
- associates		(4,088)	(33)	-	-
- a joint venture		(3,826)	(2,064)	(3,826)	(2,064)
Subscription of shares in a subsidiary by non-controlling interest		20	-	-	-
Net cash outflow from acquisition of subsidiaries	40	(1,142)	-	-	-
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>		<b>(329,911)</b>	<b>(287,633)</b>	<b>(110,048)</b>	<b>138,208</b>

# - represents an amount less than RM1,000

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021  
(CONT'D)

	Note	The Group		The Company	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
(Restated)					
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	41	(79,002)	(86,316)	(79,002)	(86,316)
Drawdown of revolving credit	42(b)	20,600	-	-	-
Drawdown of block discounting	42(b)	1,773	4,337	-	-
Interest paid	42(b)	(6,786)	(8,265)	(5,580)	(6,789)
Net proceeds from issuance of ordinary shares		238,833	284,882	238,833	284,882
Purchase of treasury shares	24	(77,929)	(30,914)	(77,929)	(30,914)
Repayment of lease liabilities	42(b)	(4,448)	(5,722)	(535)	(743)
Repayment of term loans	42(b)	(21,703)	(9,739)	(21,703)	(9,739)
Repayment of block discounting	42(b)	(5,641)	(5,081)	-	-
NET CASH FROM FINANCING ACTIVITIES		65,697	143,182	54,084	150,381
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS					
		(146,004)	157,967	(63,634)	55,714
EFFECTS OF FOREIGN EXCHANGE TRANSLATION					
		(44)	38	15	4
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		221,866	63,861	95,612	39,894
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	42(d)	75,818	221,866	31,993	95,612

The annexed notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : 12th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan.

Principal place of business : Level 43A, MYEG Tower,  
No. 8 Jalan Damansara,  
Empire City, PJU 8,  
47820 Petaling Jaya,  
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 April 2022.

## 2. 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 the subsidiaries are set out in Note 5 to the financial statements.

## 3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

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

Amendment to MFRS 16: Covid-19-Related Rent Concessions

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standard and/or interpretation (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by MASB but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

#### **(a) Depreciation of Property and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property and equipment as at the reporting date is disclosed in Note 8 to the financial statements.

#### **(b) Amortisation of Development Costs**

The estimates for the residual values, useful lives and related amortisation charges for the development costs are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its development costs will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised. The carrying amount of development costs measured at revaluation as at the reporting date is disclosed in Note 12 to the financial statements.

#### **(c) Impairment of Goodwill**

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management 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 which are subject to higher degree of estimation uncertainties due to uncertainty on how the COVID-19 pandemic may progress and evolve and volatility in markets in which the Group operates. The carrying amount of goodwill as at the reporting date and the key assumptions and sensitivity analysis is disclosed in Note 13 to the financial statements.

#### **(d) Impairment of Property and Equipment, Investment Properties and Right-of-use Assets**

The Group determines whether an item of its property and equipment, investment properties and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property and equipment, investment properties and right-of-use assets as at the reporting date are disclosed in Notes 8, 9 and 10 to the financial statements respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (cont'd)*

#### (e) Impairment of Trade and Financing Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade and financing receivables. The Group develops the expected loss rates based on the payment profiles of past sales (including changes in the customer payment profile in response to the COVID-19 pandemic) and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade and financing receivables. The carrying amounts of trade and financing receivables as at the reporting date are disclosed in Notes 14 and 16 to the financial statements respectively.

For impaired loans, advances and financing ("loan(s)") which are individually assessed, judgement by management is required in the estimation of the amount and timing of future cash flows in the determination of impairment losses. In estimating these cash flows, judgements are made about the realisable value of collateral pledged and the borrower's financial position. These estimations are based on assumptions and the actual results may differ from these, hence, resulting in changes to impairment losses recognised.

#### (f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of other receivables, amounts owing by subsidiaries, amounts owing by associates and amounts owing by joint ventures as at the reporting date are disclosed in Notes 17, 18, 19 and 20 to the financial statements respectively.

#### (g) Fair Value Estimates for Unquoted Financial Assets

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 11 to the financial statements.

#### (h) Impairment of Development Costs

The assessment of whether development costs and other intangible assets are impaired requires an estimation of the value in use of the cash-generating unit to which these assets are allocated. Estimating a value in use amount requires management 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 carrying amounts of development costs and other intangible 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 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (cont'd)*

#### (i) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair values of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 40 to the financial statements.

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

#### (a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

#### (b) Classification between Investment Properties and Owner-occupied Properties

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 accounts for the portions separately. If the portions could not be sold separately, the property is 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 so significant that a property does not qualify as investment property.

### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.2 BASIS OF CONSOLIDATION (CONT'D)

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

#### (a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

#### (b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### (c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

#### (d) Loss of Control

Upon loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as in profit or loss immediately.

In respect of equity-accounted associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint ventures.

### 4.4 FUNCTIONAL AND FOREIGN CURRENCIES

#### (a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

#### (b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

#### (c) Foreign Operations

Assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

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.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate or joint venture that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

#### (c) Foreign Operations (cont'd)

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences 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.

### 4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statement of financial position are disclosed in the policy statement associated with each item.

#### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

##### *Debt Instruments*

#### (i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest/profit income is recognised by applying the effective interest/profit rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest/profit rate to the amortised cost of the financial asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Assets (cont'd)

##### *Debt Instruments (cont'd)*

##### (i) Amortised Cost (cont'd)

The effective interest/profit method is a method of calculating the amortised cost of a financial asset and of allocating interest/finance income over the relevant period. The effective interest/profit rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest/profit rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

##### (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

##### (iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

##### *Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

#### (b) Financial Liabilities

##### (i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial Liabilities (cont'd)

##### (ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

#### (c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

##### (i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

##### (ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

#### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (e) 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 because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

### 4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

### 4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.8 PROPERTY AND EQUIPMENT

All items of property and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation on other property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
IT terminals	20%
Motor vehicles	16 - 20%
Medical equipment	20%
Office and communication equipment	10 - 12%
Office furniture and renovation	10%
Computers	20%
Software	20%

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 depreciated accordingly when the assets are completed and ready for commercial use.

Capital work-in-progress included in property and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

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.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

### 4.9 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.9 INVESTMENT PROPERTIES (CONT'D)

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

### 4.10 DEVELOPMENT EXPENDITURE

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

- (a) its ability to measure reliably the expenditure attributable to the asset under development;
- (b) the product or process is technically and commercially feasible;
- (c) its future economic benefits are probable;
- (d) its intention to complete and the ability to use or sell the developed asset; and
- (e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 2 to 3 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

### 4.11 IMPAIRMENT

#### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables, as well as on financial guarantee contracts.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.11 IMPAIRMENT (CONT'D)

#### (a) Impairment of Financial Assets (cont'd)

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### (b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.12 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

### 4.13 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

### 4.14 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.15 INCOME TAXES

#### (a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

#### (b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

### 4.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity period of three months or less.

### 4.17 EMPLOYEE BENEFITS

#### (a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

#### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.18 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

### 4.19 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

### 4.20 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### 4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

#### (a) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. 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 when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### (b) Rendering of Services

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

#### (c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

#### (d) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

#### (e) Rental Income

Rental income from investment properties is accounted for on a straight-line method over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the terms of the lease.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

#### (f) Income from Ijarah Financing

##### Ijarah

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 lease contract is recognised on effective profit rate basis over the period of the contract based on the principal amounts outstanding.

### 4.22 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

#### Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

### 4.23 DEFERRED REVENUE

The deferred revenue primarily relate to advance considerations received from customers for the rental of devices and advanced billings for other maintenance, advertising, and marketing services of which the revenue will be recognised over the remaining contract term of the specific contract it relates to.

### 4.24 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 4.25 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### 4.26 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

#### Joint Ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.26 JOINT ARRANGEMENTS (CONT'D)

#### Joint Ventures (cont'd)

Investments in joint ventures are stated at cost in the statement of financial position of the Company and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 31 December 2021. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021	2020
	RM'000	RM'000
Unquoted shares, at cost	20,395	19,895

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021	2020	
		%	%	
Gale Vector Sdn. Bhd. ("GVSB")	Malaysia	100	100	Provision of software solutions and maintenance services.
MY EG 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.
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.
<b>Subsidiaries of MYEGC</b>				
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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:- (cont'd)

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021	2020	
		%	%	
Subsidiaries of MYEGC (cont'd)				
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.
Essential Reviews Sdn. Bhd. ("ERSB")	Malaysia	67	67	Provision of digital platform for reviews and 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	Provision of payment settlement systems.
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	-	Investment holding.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:- (cont'd)

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021	2020	
		%	%	
Subsidiaries of MYEGC (cont'd)				
Beli Mart Sdn. Bhd. ("Beli Mart")*	Malaysia	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 activities.
CardBiz Technologies Sdn. Bhd. ("CTSB")	Malaysia	55	55	Trading of computer hardware, software, printer, accessories, and related products.
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, repairs, breakdown assistance, and sale of removable motor vehicle spare parts and provision of membership in relation thereto.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:- (cont'd)

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021 %	2020 %	
Subsidiaries of EGSB (cont'd)				
MYEG TwoCar Sdn. Bhd. ("MYEG TwoCar")	Malaysia	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.
MY EG (Philippines) Sdn. Bhd. ("MYEGP")	Malaysia	100	100	Investment holding.
MY EG (Thailand) Sdn. Bhd. ("MYEGT")	Malaysia	100	-	Investment holding.
Subsidiary of MYEGIND				
PT MYEG Services Indonesia. ("PTMYEG")^	Indonesia	90	90	To build, own, and operate a digital platform for commercial services.
Subsidiary of MLSB				
MYEG FWA (Tanjong Langsat) Sdn. Bhd. ("MYEGFWA")	Malaysia	100	100	Property investment and provision of workers accommodation services.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:- (cont'd)

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021 %	2020 %	
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	-	To market medical products and services.
Subsidiaries of GVS B				
NFT Capital (Labuan) Co Ltd ("NFT Labuan")*	Malaysia	100	-	Investment holding.
NFT Capital Sdn. Bhd. ("NFT Capital")*	Malaysia	100	-	Investment holding.
NFT Creative Sdn. Bhd. ("NFT Creative")	Malaysia	100	-	Provision of solutions and technical services and support related to application and software development.
Subsidiary of MYDC				
Zetrix Sdn Bhd ("Zetrix")*	Malaysia	56%	-	Development and provision of distributed ledger technology and solutions related products and services.

^ This subsidiary was unaudited as at the financial year end. The subsidiary's financial statements are not material to the Group. This subsidiary was not audited by Crowe Malaysia PLT in the financial year 2021.

\* There is no audit carried out on the financial statements of the subsidiary for the financial year as it is incorporated during the year. The subsidiary's financial statements are not material to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

### 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) During the financial year:-

- (i) 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 RM2.00.
- (ii) 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.
- (iii) 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. Details of the acquisition are disclosed in Note 40 to the financial statements.
- (iv) On 6 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 RM2.00.
- (v) On 25 June 2021, MYEGIND incorporated a wholly-owned subsidiary with 2 ordinary shares, representing 100% of equity interest in MYEGT for a total consideration of RM2.00.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) 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.
- (x) 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.
- (xi) 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.

(b) In the previous financial year:-

- (i) On 10 March 2020, MLSB incorporated a wholly-owned subsidiary with 1,000 ordinary shares, representing 100% of equity interest in MYEGFWA for a total consideration of RM100.
- (ii) On 3 June 2020, MYEGC incorporated a wholly-owned subsidiary with 100 ordinary shares, representing 100% of equity interest in MYEGM for a total consideration of RM100.
- (iii) On 23 July 2020, EGSB subscribed for an additional 499,999 ordinary shares, representing 100% of equity interest in MYAA for a total consideration of RM499,999.
- (iv) On 10 August 2020, the Company incorporated a wholly-owned subsidiary with 1,000,000 ordinary shares, representing 100% of equity interest in MYEGDI for a total consideration of RM1,000,000.
- (v) On 25 August 2020, MYEGM incorporated a wholly-owned subsidiary with 2 ordinary shares, representing 100% of equity interest in MYEGPHA for a total consideration of RM2.
- (vi) On 31 October 2020, MYEGC subscribed for an additional 5,000,000 ordinary shares, representing 100% of equity interest in MYEGM for a total consideration of RM5,000,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) In the previous financial year:- (cont'd)

- (vii) On 31 December 2020, MYEGC subscribed for an additional 1,500,000 ordinary shares, representing 100% of equity interest in MYEGAD for a total consideration of RM1,500,000.
- (viii) On 31 December 2020, EGSB subscribed for an additional 2,000,000 ordinary shares, representing 100% of equity interest in MTSB for a total consideration of RM2,000,000.
- (ix) On 31 December 2020, EGSB subscribed for an additional 2,500,000 ordinary shares, representing 100% of equity interest in MYAA for a total consideration of RM2,500,000.

(c) Summarised financial information of non-controlling interests has not been presented as both the current non-controlling interests and future non-controlling interests of the subsidiaries are not individually material to the Group.

## 6. INVESTMENTS IN ASSOCIATES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	19,382	15,294	400	400
Share of post-acquisition losses	(3,249)	(2,484)	-	-
	16,133	12,810	400	400
Accumulated impairment losses	-	-	(400)	(400)
	16,133	12,810	-	-

The details of the associates are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest		Principal Activities
		2021	2020	
Associate of the 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%	19%	Engaged in development, trading, industry and service.

\* These associates were audited by other firms of chartered accountants.

- (a) Although the Group holds less than 20% of the voting power in PT Cartenz, the Group has determined that it has significant influence over the financial and operating policies of the associate through representation on the associate's board of directors.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 6. INVESTMENTS IN ASSOCIATES (CONT'D)

(b) The summarised financial information of the associate that is material to the Group is as follows:-

	MINT	
	Audited	Audited
	2021	2020
	RM'000	RM'000
Non-current assets	-	100
Current assets	889	907
Non-current liabilities	-	-
Current liabilities	(142,229)	(142,041)
Net liabilities	(141,340)	(141,034)
<u>Financial year ended 31 December</u>		
Revenue	-	-
Loss during the financial year/Total comprehensive expenses	(306)	(278)
Group's share of losses for the financial year/Total comprehensive expenses	-	-
<u>Reconciliation of Net Liabilities to Carrying Amount</u>		
Group's share of net liabilities	(56,536)	(56,414)
Share of losses recognised	400	400
Share of losses in excess of the interest in the associate not recognised	56,136	56,014
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 RM56.1 million (2020 - RM56.0 million), of which approximately RM122,000 relates to the share of the current financial year's losses. The Group has no obligations in respect of these losses.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 6. INVESTMENTS IN ASSOCIATES (CONT'D)

- (c) The summarised unaudited financial information of the associate that is material to the Group is as follows:-

	PT Cartenz	
	2021	2020
	RM'000	RM'000
Non-current assets	2,271	7,666
Current assets	7,831	1,808
Non-current liabilities	(6,489)	(5,708)
Current liabilities	(6,265)	(2,389)
Net (liabilities)/assets	(2,652)	1,377
<u>Financial year ended 31 December</u>		
Revenue	5,449	6,825
Loss for the financial year/Total comprehensive expenses	(4,024)	(4,932)
Group's share of losses for the financial year/Total comprehensive expenses	(765)	(937)
<u>Reconciliation of Net (Liabilities)/Assets to Carrying Amount</u>		
Group's share of net (liabilities)/assets	(503)	261
Goodwill	12,516	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	12,777

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 fulfilment 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, MYEGIND further invested USD 1 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 USD 6.5 million (approximately RM26.1 million).

- (d) The summarised financial information has not been presented for MYAM as it is not individually material to the Group.

The Group has not recognised losses relating to MYAM, where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM10,918 (2020 - RM8,072), of which RM2,846 (2020 - RM2,399) was the share of the current financial year's losses. The Group has no obligation in respect of these losses.

- (e) The summarised financial information has not been presented for DKSB as it is not individually material to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 7. INVESTMENTS IN JOINT VENTURES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	12,764	8,938	12,249	8,423
Share of post acquisition losses	(3,509)	(2,817)	-	-
	9,255	6,121	12,249	8,423

The details of the joint ventures are as follows:-

Name of Joint Venture	Principal Place of Business	Effective Equity Interest		Principal Activities
		2021	2020	
Joint Venture of the Company				
I-Pay MYEG Philippines Inc. ("MYEG Philippines")	Philippines	40%	40%	Development and implementation of Electronic Government Services projects and provision of other related services including payment services in the Republic of the Philippines.
Joint Venture of MYEGBD				
MYEG (BD) Ltd.	Bangladesh	40%	40%	Investment holding.

- (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 current financial year, 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 7. INVESTMENTS IN JOINT VENTURES (CONT'D)

(c) The summarised unaudited financial information for the joint venture of the Group is as follows:-

	MYEG PHILIPPINES	
	2021	2020
	RM'000	RM'000
Non-current assets	2,255	2,044
Current assets	6,655	6,032
Non-current liabilities	(11,222)	(7,444)
Current liabilities	(3,598)	(4,917)
Net liabilities	(5,910)	(4,285)
<u>Financial year ended 31 December</u>		
Revenue	12,377	7,451
Loss during the financial year/Total comprehensive expenses	(1,635)	(1,673)
Group's share of losses for the financial year/Total comprehensive expenses	(654)	(669)
<u>Reconciliation of Net Liabilities to Carrying Amount</u>		
Group's share of net liabilities above	(2,364)	(1,714)
Add: Deposits for future stock subscriptions in this joint venture	11,211	7,389
Carrying amount of the Group's interest in this joint venture	8,847	5,675

(d) The summarised unaudited financial information for the joint venture that is immaterial to the Group is as follows:-

	MYEG (BD) Ltd.	
	2021	2020
	RM'000	RM'000
<u>Financial year ended 31 December</u>		
Group's share of losses for the financial year/Total comprehensive expenses	(38)	(30)
Aggregate carrying amount of the Group's interest in this joint venture	408	446

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 8. PROPERTY AND EQUIPMENT

	At 1.1.2021	Additions	Acquisition of Subsidiaries (Note 40)	Transfer from Right-of- Use Assets (Note 10)	Disposals	Written Off	Depreciation Charges	At 31.12.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>								
<b>2021</b>								
<i>Carrying Amount</i>								
IT terminals	4,052	2,899	-	-	(110)	(11)	(1,599)	5,231
Motor vehicles	451	823	-	-	(109)	-	(430)	735
Office and communication equipment	28,929	13,212	-	865	(1)	(15)	(7,419)	35,571
Office furniture and renovation	34,985	8,672	16	-	-	-	(5,202)	38,471
Computers	5,531	1,809	5	-	-	-	(2,776)	4,569
Software	1,271	605	-	-	-	-	(648)	1,228
Buildings	211,079	-	-	-	-	-	(4,492)	206,587
Medical equipment	-	8,820	-	-	-	-	(490)	8,330
	286,298	36,840	21	865	(220)	(26)	(23,056)	300,722

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 8. PROPERTY AND EQUIPMENT (CONT'D)

	At 1.1.2020 RM'000	Additions RM'000	Transfer from An Associate* RM'000	Reclassification RM'000	Disposals RM'000	Written Off RM'000	Depreciation Charges RM'000	At 31.12.2020 RM'000 (Restated)
<b>The Group</b>								
<b>2020</b>								
<i>Carrying Amount</i>								
IT terminals	3,608	2,131	-	-	(383)	(76)	(1,228)	4,052
Motor vehicles	963	-	-	-	(170)	-	(342)	451
Office and communication equipment	19,253	570	-	18,000	-	-	(8,894)	28,929
Office furniture and renovation	36,580	3,216	5	-	-	(64)	(4,752)	34,985
Computers	7,286	1,318	320	-	-	(2)	(3,391)	5,531
Software	1,622	237	65	-	-	-	(653)	1,271
Buildings	215,571	-	-	-	-	-	(4,492)	211,079
Capital work-in-progress	18,000	-	-	(18,000)	-	-	-	-
	302,883	7,472	390	-	(553)	(142)	(23,752)	286,298

\* - The equipment were transferred at net book value (carrying amount).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 8. PROPERTY AND EQUIPMENT (CONT'D)

	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Carrying Amount RM'000
<b>The Group</b>				
<b>2021</b>				
IT terminals	9,533	(4,302)	-	5,231
Motor vehicles	5,439	(4,704)	-	735
Office and communication equipment	108,122	(72,551)	-	35,571
Office furniture and renovation	62,094	(23,623)	-	38,471
Computers	32,690	(28,121)	-	4,569
Software	5,391	(4,163)	-	1,228
Buildings	222,470	(15,883)	-	206,587
Capital work-in-progress	26,102	-	(26,102)	-
Medical equipment	8,820	(490)	-	8,330
	480,661	(153,837)	(26,102)	300,722
<b>2020</b>				
IT terminals	7,066	(3,014)	-	4,052
Motor vehicles	2,781	(2,330)	-	451
Office and communication equipment	91,799	(62,870)	-	28,929
Office furniture and renovation	53,616	(18,631)	-	34,985
Computers	30,885	(25,354)	-	5,531
Software	4,828	(3,557)	-	1,271
Buildings	222,470	(11,391)	-	211,079
Capital work-in-progress	26,102	-	(26,102)	-
	439,547	(127,147)	(26,102)	286,298



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 8. PROPERTY AND EQUIPMENT (CONT'D)

	At 1.1.2021 RM'000	Additions RM'000	Disposal RM'000	Written Off RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
<b>The Company</b>						
<b>2021</b>						
<i>Carrying Amount</i>						
Motor vehicles	-	-	-	-	-	-
Office and communication equipment	18,330	12,831	#	(15)	(3,024)	28,122
Office furniture and renovation	27,349	11	-	-	(3,871)	23,489
Computers	2,017	266	-	-	(1,211)	1,072
Software	797	82	-	-	(385)	494
Buildings	133,608	-	-	-	(2,825)	130,783
	182,101	13,190	#	(15)	(11,316)	183,960

# - represents an amount less than RM1,000

	At 1.1.2020 RM'000	Additions RM'000	Transfer from An Associate* RM'000	Reclassification RM'000	Depreciation Charges RM'000	At 31.12.2020 RM'000
<b>The Company</b>						
<b>2020</b>						
<i>Carrying Amount</i>						
Motor vehicles	1	-	-	-	(1)	-
Office and communication equipment	3,077	42	-	18,000	(2,789)	18,330
Office furniture and renovation	31,190	47	5	-	(3,893)	27,349
Computers	2,686	368	320	-	(1,357)	2,017
Software	983	163	65	-	(414)	797
Buildings	136,433	-	-	-	(2,825)	133,608
Capital work-in-progress	18,000	-	-	(18,000)	-	-
	192,370	620	390	-	(11,279)	182,101

\* - The equipment were transferred at net book value (carrying amount).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 8. PROPERTY AND EQUIPMENT (CONT'D)

	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Carrying Amount RM'000
<b>The Company</b>				
<b>2021</b>				
Motor vehicles	540	(540)	-	-
Office and communication equipment	49,180	(21,058)	-	28,122
Office furniture and renovation	41,137	(17,648)	-	23,489
Computers	13,193	(12,121)	-	1,072
Software	2,852	(2,358)	-	494
Buildings	141,249	(10,466)	-	130,783
Capital work-in-progress	26,102	-	(26,102)	-
	274,253	(64,191)	(26,102)	183,960
<b>2020</b>				
Motor vehicles	540	(540)	-	-
Office and communication equipment	36,373	(18,043)	-	18,330
Office furniture and renovation	41,126	(13,777)	-	27,349
Computers	12,927	(10,910)	-	2,017
Software	2,771	(1,974)	-	797
Buildings	141,249	(7,641)	-	133,608
Capital work-in-progress	26,102	-	(26,102)	-
	261,088	(52,885)	(26,102)	182,101

At the end of the reporting year, the carrying amount of the following assets have been pledged to licensed banks as security for banking facilities granted to the Group:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Buildings	117,037	119,572	117,037	119,572

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 9. INVESTMENT PROPERTIES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cost:-				
At 1 January/31 December	32,654	32,654	115,989	115,989
Accumulated depreciation:-				
At 1 January	(2,341)	(1,688)	(8,205)	(5,885)
Depreciation during the financial year (Note 37)	(653)	(653)	(2,320)	(2,320)
At 31 December	(2,994)	(2,341)	(10,525)	(8,205)
	29,660	30,313	105,464	107,784
Represented by:-				
Buildings:				
- at cost	29,660	30,313	105,464	107,784
- fair value	34,949	34,273	119,988	117,665

- (a) The investment properties of the Group 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:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Within 1 year	1,452	1,210	5,775	5,706
Between 1 and 2 years	1,059	726	4,601	4,715
Between 2 and 3 years	454	333	568	3,541
	2,965	2,269	10,944	13,962

- (b) Certain investment properties have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 28 to the financial statements.
- (c) The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties, locations and category of properties. The most significant input into this valuation approach is the price per square foot of comparable properties. There have been no changes in the valuation technique during the financial year.
- (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 10. RIGHT-OF-USE ASSETS

	At 1.1.2021 RM'000	Additions RM'000	Transfer to Property and Equipment (Note 8) RM'000	Modification of Lease Liabilities RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
<b>The Group</b>						
<b>2021</b>						
<i>Carrying Amount</i>						
Motor vehicles	941	1,985	-	-	(641)	2,285
Office and communication equipment	1,217	-	(865)	-	(352)	-
Office buildings	1,085	4,688	-	(4)	(650)	5,119
Premises	3,010	2,671	-	(6)	(2,938)	2,737
	6,253	9,344	(865)	(10)	(4,581)	10,141

	At 1.1.2020 RM'000	Additions RM'000	Disposal RM'000	Modification of Lease Liabilities RM'000	Depreciation Charges RM'000	At 31.12.2020 RM'000
<b>The Group</b>						
<b>2020</b>						
<i>Carrying Amount</i>						
Motor vehicles	1,078	540	(58)	-	(619)	941
Office and communication equipment	1,601	-	-	-	(384)	1,217
Office buildings	832	832	-	75	(654)	1,085
Premises	7,112	2,302	-	(2,152)	(4,252)	3,010
	10,623	3,674	(58)	(2,077)	(5,909)	6,253

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Analysed by:-		
Cost	15,518	17,322
Accumulated depreciation	(5,377)	(11,069)
	10,141	6,253

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 10. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.1.2021 RM'000	Addition RM'000	Depreciation Charges RM'000	At 31.12.2021 RM'000
<b>The Company</b>				
<b>2021</b>				
<i>Carrying Amount</i>				
Office buildings	8	-	(8)	-
Premises	593	237	(522)	308
	601	237	(530)	308

	At 1.1.2020 RM'000	Addition RM'000	Modification of Lease Liabilities RM'000	Depreciation Charges RM'000	At 31.12.2020 RM'000
<b>The Company</b>					
<b>2020</b>					
<i>Carrying Amount</i>					
Office buildings	73	-	-	(65)	8
Premises	689	592	(22)	(666)	593
	762	592	(22)	(731)	601

	<b>The Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Analysed by:-		
Cost	934	1,379
Accumulated depreciation	(626)	(778)
	308	601

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 10. RIGHT-OF-USE ASSETS (CONT'D)

- (a) The Group leases various office properties, equipment and motor vehicles of which the leasing activities are summarised below:-
- (i) 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.
  - (ii) 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.
  - (iii) Office buildings      The Group has leased a number of office buildings between 1 year and 3 years.
  - (iv) 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.
- (b) The Group also has leases with lease terms of 12 months or less and leases of premises with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.
- (c) The Group has several lease contracts for premises that include 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.

## 11. OTHER INVESTMENTS

### INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at fair value	246,493	138,000

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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 11. OTHER INVESTMENTS (CONT'D)

### INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

The fair value of each investment is summarised below:-

	Note	The Group	
		2021 RM'000	2020 RM'000
Unquoted shares of Entity A		10,774	10,774
Unquoted shares of Entity B		7,923	7,923
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)	6,000	3,500
Unquoted shares of Entity I	(d)	176,500	90,000
Unquoted shares of Entity J	(a)	8,915	-
Unquoted shares of Entity K	(b)	10,578	-
		246,493	138,000

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.

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, D, E, H, I and K fall within level 3 fair value measurements.

- (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") in Entity H, for a total cash consideration of RM2,500,000. Upon conversion of the RCPS on a fully diluted basis, MYEGC will then hold 33.23% equity interest in Entity H.

As at the financial year end, the RCPS has not been converted into ordinary shares.

- (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.

As at the end of the financial year, 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 2021

(CONT'D)

## 11. 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)

<u>Unobservable Inputs</u>			<u>Relationship of Unobservable Inputs to Fair Value</u>	<u>Sensitivity Analysis (Assume All Other Variables Held Constant)</u>
(aa)	Revenue growth rates of 33% (2020 - 22%)	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 the fair value by RM1,540,000.
(bb)	Pre-tax operating profit margins of 39% (2020 - 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 would result in an increase/decrease in the fair value by RM462,000.
(cc)	Discount rate of 17% (2020 - 15%)	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 RM576,000.

Investment in an entity engaged in online fashion boutique business (Entity B)

<u>Unobservable Inputs</u>			<u>Relationship of Unobservable Inputs to Fair Value</u>	<u>Sensitivity Analysis (Assume All Other Variables Held Constant)</u>
(aa)	Revenue growth rates of 18% (2020 - 30%)	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 the fair value by RM4,711,000.
(bb)	Pre-tax operating profit margins of 49% (2020 - 50%)	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 would result in an increase/decrease in the fair value by RM1,847,000.
(cc)	Discount rate of 18% (2020 - 14%)	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 RM377,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 11. OTHER INVESTMENTS (CONT'D)

Investment in an entity engaged in providing debt collection system, telecommunication services, computer software, hardware and related accessories (Entity C)

<u>Unobservable Inputs</u>			<u>Relationship of Unobservable Inputs to Fair Value</u>	<u>Sensitivity Analysis (Assume All Other Variables Held Constant)</u>
(aa)	Revenue growth rates of 9% (2020 - 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 the fair value by RM677,000.
(bb)	Pre-tax operating profit margins of 76% (2020 - 70%)	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% in pre-tax operating profit margin would result in an increase/decrease in the fair value by RM233,000.
(cc)	Discount rate of 14% (2020 - 9%)	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 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)

<u>Unobservable Inputs</u>			<u>Relationship of Unobservable Inputs to Fair Value</u>	<u>Sensitivity Analysis (Assume All Other Variables Held Constant)</u>
(aa)	Revenue growth rates of 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 the fair value by RM740,000.
(bb)	Pre-tax operating profit margins of 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% in pre-tax operating profit margin would result in an increase/decrease in the fair value by RM181,000.
(cc)	Discount rate of 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 RM311,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 11. OTHER INVESTMENTS (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)

<u>Unobservable Inputs</u>			<u>Relationship of Unobservable Inputs to Fair Value</u>	<u>Sensitivity Analysis (Assume All Other Variables Held Constant)</u>
(aa)	Revenue growth rates of 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 the fair value by RM45,291,000.
(bb)	Pre-tax operating profit margins of 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% in pre-tax operating profit margin would result in an increase/decrease in the fair value by RM4,660,000.
(cc)	Discount rate of 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 RM13,059,000.

Investment in an entity engaged in blockchain technology and software development (Entity K)

<u>Unobservable Inputs</u>			<u>Relationship of Unobservable Inputs to Fair Value</u>	<u>Sensitivity Analysis (Assume All Other Variables Held Constant)</u>
(aa)	Revenue growth rates of 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 the fair value by RM500,000.
(bb)	Pre-tax operating profit margins of 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% in pre-tax operating profit margin would result in an increase/decrease in the fair value by RM186,000.
(cc)	Discount rate of 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 RM545,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 12. DEVELOPMENT COSTS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
<b>Cost:-</b>				
At 1 January	196,084	20,624	104,977	10,267
Addition during the financial year	243,388	175,460	51,505	94,710
Disposal during the year	(70,000)	-	(70,000)	-
At 31 December	369,472	196,084	86,482	104,977
<b>Accumulated amortisation:-</b>				
At 1 January	(24,826)	(19,770)	(12,136)	(9,698)
Amortisation during the financial year	(22,131)	(5,056)	(8,131)	(2,438)
At 31 December	(46,957)	(24,826)	(20,267)	(12,136)
Carrying Amount	322,515	171,258	66,215	92,841

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 3 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.

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Development cost were incurred for the following:-				
Electronic Government related services	96,883	126,508	56,215	92,841
Blockchain related services	142,008	21,000	10,000	-
Healthtech related services	83,025	23,525	-	-
Other commercial related services	599	225	-	-
	322,515	171,258	66,215	92,841

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 13. GOODWILL ON CONSOLIDATION

	The Group	
	2021 RM'000	2020 RM'000
Cost:-		
At 1 January	18,549	18,549
Acquisition of subsidiaries (Note 40)	1,548	-
	20,097	18,549
Accumulated impairment losses	(95)	(95)
At 31 December	20,002	18,454

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:-

	The Group	
	2021 RM'000	2020 RM'000
E-business activities	9,422	9,422
Provision of credit card terminal, hardware, solutions and other related services	5,689	5,689
Other cash-generating units	4,891	3,343
	20,002	18,454

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	
	2021	2020	2021	2020	2021	2020
E-business activities	83%	85%	3% - 5%	3% - 5%	14%	12%
Provision of credit card terminal, hardware, solutions and other related services	35% - 40%	35% - 40%	15% - 27%	20% - 32%	14%	12%



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 13. GOODWILL ON CONSOLIDATION (CONT'D)

- (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.

## 14. FINANCING RECEIVABLES

	The Group	
	2021	2020
	RM'000	RM'000
<b>Current assets</b>		
Loan receivables (Secured)	23,553	18,889
Loan receivables (Unsecured)	4,011	3,789
Hire purchase and finance lease receivables	14,879	14,631
Ijarah financing receivables	3,129	1,584
Micro financing receivables	2	3
	45,574	38,896
<b>Non-Current assets</b>		
Loan receivables (Secured)	220,699	127,407
Loan receivables (Unsecured)	22,760	27,705
Hire purchase and finance lease receivables	29,247	41,828
Ijarah financing receivables	12,164	5,953
	284,870	202,893
	330,444	241,789
Less: Unearned profit	(8,763)	(9,993)
	321,681	231,796
Gross financing receivables	321,681	231,796
Allowance for impairment losses	(2,404)	(2,165)
Net financing receivables	319,277	229,631

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 14. FINANCING RECEIVABLES (CONT'D)

	The Group	
	2021	2020
	RM'000	RM'000
<u>Allowance for impairment losses under MFRS 9</u>		
At 1 January	2,165	1,563
Addition during the financial year (Note 36)	239	602
At 31 December	2,404	2,165
The maturity of the financing receivables is as follows:-		
Not later than 1 year	41,615	34,378
Later than 1 year and not later than 5 years	177,185	125,619
Later than 5 years	109,240	79,627
	328,040	239,624
Less: Unearned profit	(8,763)	(9,993)
	319,277	229,631
Analysed as follows:-		
Current	39,961	32,964
Non-Current	279,316	196,667
	319,277	229,631

## 15. INVENTORIES

	The Group	
	2021	2020
	RM'000	RM'000
Used motor vehicles	817	476
Finished goods	17,507	2,952
	18,324	3,428
Recognised in profit or loss:-		
Amount written down to net realisable value	313	69
Reversal of inventories previously written down	(22)	(17)
Inventories recognised as cost of sales	32,336	15,506

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 16. TRADE RECEIVABLES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Trade receivables	289,670	172,103	2,128	1,003
Allowance for impairment losses	(45)	(5)	-	-
	289,625	172,098	2,128	1,003
Accrued income	1,150	685	-	-
	290,775	172,783	2,128	1,003
Allowance for impairment losses under MFRS 9:-				
At 1 January	(5)	(15)	-	-
Addition during the financial year	(45)	-	-	-
Reversal during the financial year	5	2	-	-
Written off during the financial year	-	8	-	-
At 31 December	(45)	(5)	-	-

The Group's normal trade credit terms range from cash terms to 180 (2020 - cash terms to 180) days. Other credit terms are assessed and approved on a case-by-case basis.

## 17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Other receivables:-				
Third parties	35,609	32,595	15,274	18,389
Allowance for impairment losses under MFRS 9	(18)	(18)	-	-
	35,591	32,577	15,274	18,389
Goods and services tax recoverable	297	54	-	-
	35,888	32,631	15,274	18,389
Deposits	4,913	3,351	1,629	1,667
Prepayments	165,097	67,977	80,923	38,148
	205,898	103,959	97,826	58,204
Allowance for impairment losses under MFRS 9:-				
At 1 January	(18)	(20)	-	-
Reversal during the financial year	-	2	-	-
At 31 December	(18)	(18)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Breakdown as below:-				
Purchase of equipment	111,850	42,460	79,450	37,141
Advance payments for health screening services	2,282	2,626	-	-
Advance payments for inventories	27,000	638	-	-
Performance guarantee placed with gateway provider	32,231	30,475	13,132	17,206
Performance bond placed with government agency	99	99	-	-
Vaccine storage centre	7,526	12,090	-	-
Prepayment for leasehold land	14,064	5,081	-	-

## 18. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The non-trade balances represent unsecured interest-free advances and payment made on behalf. The amount owing are to be settled in cash.

## 19. AMOUNTS OWING BY/(TO) ASSOCIATES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Amount owing by:				
- trade	65,450	65,450	42,750	42,750
- non-trade	29,833	29,810	29,805	29,805
	95,283	95,260	72,555	72,555
Less: Allowance for impairment losses	(95,255)	(95,255)	(72,555)	(72,555)
	28	5	#	#
Amount owing to:				
- non-trade	(24)	(33)	-	-
Allowance for impairment losses under MFRS 9:-				
At 1 January	(95,255)	(95,450)	(72,555)	(72,750)
Reversal during the financial year	-	195	-	195
At 31 December	(95,255)	(95,255)	(72,555)	(72,555)

# represents an amount less than RM1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 19. AMOUNTS OWING BY/(TO) ASSOCIATES (CONT'D)

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 Goods and Services Tax ("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.

## 20. AMOUNT OWING BY JOINT VENTURES

The non-trade balances represent unsecured interest-free advances and payment made on behalf. The amount owing is to be settled in cash.

## 21. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bore effective interest rates ranging from 1.40% to 3.10% (2020 - 1.35% to 3.35%) per annum and 1.75% (2020 - 3.10% to 3.35%) per annum respectively. The fixed deposits have maturity periods ranging from 1 to 12 (2020 - 1 to 12) months and 12 (2020 - 12) months for the Group and the Company respectively.
- (b) Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period were amounts of RM13,336,231 and RM8,030,339 (2020 - RM12,624,440 and RM7,688,096) respectively which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company.
- (c) At the end of the reporting period, the fixed deposits of the Group and the Company amounting to RM314,586 and RM33,000 (2020 - RM227,460 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.

## 22. CASH AND BANK BALANCES

Included in the cash and bank balances is the following:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Short-term cash investments	4,026	116,347	2,083	55,650

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 in value.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 22. CASH AND BANK BALANCES (CONT'D)

The short-term cash investments' unit price range from RM0.50 to RM1.40 (2020 - RM0.51 to RM1.38). The short-term cash investments have maturity periods ranging 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 RM107,524 (2020 - RM26,718) was held in trust by a director of the Company and a director of a subsidiary.

## 23. SHARE CAPITAL

The Group/The Company				
2021		2020		
	Number of Shares '000	Share Capital RM'000	Number of Shares '000	Share Capital RM'000
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January	3,671,929	634,262	3,606,306	360,630
Issuance of new shares pursuant to:				
- bonus issue (b)	3,690,310	-	-	-
- DRP (c)	18,380	30,327	45,623	58,398
- issuance of new shares	-	-	12,500	14,975
- private placements (d)	210,000	208,506	120,000	211,509
Cancellation of treasury shares (e)	(182,003)	(18,200)	(112,500)	(11,250)
	3,736,687	220,633	65,623	273,632
At 31 December	7,408,616	854,895	3,671,929	634,262

- (a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial year, the Company issued 3,690,309,821 new ordinary shares by way of bonus issue on the basis of one (1) new ordinary share for every one (1) existing ordinary share held in the Company on 14 September 2021.
- (c) Issuance of 18,380,084 new ordinary shares from the exercise of the DRP at an exercise price of RM1.65 per share amounting to RM30,327,139 as disclosed in Note 41 to the financial statements.
- (d) Issuance of 210,000,000 new ordinary shares from the exercise of the first tranche private placement for a RM208,505,058, net of transaction costs.
- (e) During the financial year, the Company has undertaken the cancellation of treasury shares pursuant to Section 127 of the Companies Act 2016 in Malaysia which resulted in the reduction of the issued and paid-up capital by RM18,200,300.
- (f) The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 24. TREASURY SHARES

	The Group/The Company			
	2021		2020	
	Number of Shares '000	Treasury Shares RM'000	Number of Shares '000	Treasury Shares RM'000
At 1 January	53,665	61,652	140,165	144,743
Buy back	49,337	77,929	26,000	30,914
Bonus issue	91,001	-	-	-
Cancellation	(182,003)	(127,217)	(112,500)	(114,005)
At 31 December	12,000	12,364	53,665	61,652

During the financial year, the Company purchased 49,336,800 (2020 - 25,999,600) of its issued ordinary shares from the open market at an average price of RM1.58 (2020 - RM1.19) per share. The total consideration paid for the shares purchased was RM77,929,074 (2020 - RM30,914,378) including transaction costs. The ordinary shares purchased were held as treasury shares in accordance with Section 127(6) of the Companies Act 2016. In addition, the Company had cancelled 182,003,000 of its treasury shares at an average price of RM0.70 with a total carrying amount of RM127,217,241.

As at the end of the reporting year, the Company held as treasury shares a total of 12,000,000 of its 7,408,616,642 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM12,364,074.

## 25. RESERVES

	Note	The Group		The Company	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Fair value reserve	(a)	6,401	6,401	-	-
Foreign exchange translation reserve	(b)	19	20	-	-
Retained profits		698,112	570,191	379,762	537,842
		704,532	576,612	379,762	537,842

### (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 currency.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 26. LEASE LIABILITIES

	The Group	
	2021 RM'000	2020 RM'000
At 1 January	5,457	9,696
Addition during the financial year	4,538	3,635
Interest expense recognised in profit or loss	241	304
Changes due to lease modification	(11)	(2,152)
Repayment of principal	(4,448)	(5,722)
Repayment of interest expense	(241)	(304)
At 31 December	5,536	5,457
Analysed by:-		
Current liabilities	2,627	3,546
Non-current liabilities	2,909	1,911
	5,536	5,457
	The Company	
	2021 RM'000	2020 RM'000
At 1 January	611	786
Addition during the financial year	237	592
Interest expense recognised in profit or loss	17	24
Changes due to lease modification	-	(24)
Repayment of principal	(535)	(743)
Repayment of interest expense	(17)	(24)
At 31 December	313	611
Analysed by:-		
Current liabilities	272	439
Non-current liabilities	41	172
	313	611

Certain lease liabilities of the Group are secured by the Group's motor vehicles under the hire purchase arrangements as disclosed in Note 10(a)(i) to the financial statements, with lease terms ranging from 5 to 7 (2020 - 4 to 7) years and bear effective interest rates ranging from 3.28% to 5.52% (2020 - 3.12% to 6.36%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 27. LONG-TERM BORROWINGS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Term loans (Note 28)	87,982	109,985	87,982	109,985
Block discounting (Note 29)	7,585	10,855	-	-
	95,567	120,840	87,982	109,985

## 28. TERM LOANS (SECURED)

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current liabilities (Note 34)	18,325	18,025	18,325	18,025
Non-current liabilities (Note 27)	87,982	109,985	87,982	109,985
	106,307	128,010	106,307	128,010

Details of the term loans are as follows:-

	Number of Monthly Instalments	Monthly Instalment RM'000	Date of Commencement of Repayment
Term loan 1	108	509	October 2016
Term loan 2	108	503	October 2016
Term loan 3	120	373	July 2017
Term loan 4	120	320	July 2019
Term loan 5	60	402	December 2019

The term loans bore effective interest rates ranging from 2.27% - 3.65% (2020 - 3.34% to 6.45%) per annum at the end of the reporting period and are secured by:-

- (i) a placement of certain deposits of the Company; and
- (ii) specific charges over the buildings and investment properties of the Group and of the Company.

## 29. BLOCK DISCOUNTING

	The Group	
	2021	2020
	RM'000	RM'000
Current liabilities (Note 34)	4,955	5,553
Non-current liabilities (Note 27)	7,585	10,855
	12,540	16,408

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 29. BLOCK DISCOUNTING (CONT'D)

Details of the block discounting loan are as follows:-

	Number of Monthly Instalments	Monthly Instalment RM'000	Date of Commencement of Repayment
Block discounting loan 1	60	32	October 2019
Block discounting loan 2	60	32	October 2019
Block discounting loan 3	60	57	October 2019
Block discounting loan 4	60	32	October 2019
Block discounting loan 5	60	14	October 2019
Block discounting loan 6	60	24	November 2019
Block discounting loan 7	59	269	November 2019
Block discounting loan 8	60	33	December 2019
Block discounting loan 9	57	48	March 2020
Block discounting loan 10	57	30	November 2020
Block discounting loan 11	60	7	November 2020
Block discounting loan 12	60	27	November 2020
Block discounting loan 13	60	14	October 2021
Block discounting loan 14	60	18	October 2021
Block discounting loan 15	58	1	October 2021

The block discounting of the Group at the end of the reporting period bore fixed effective interest rates ranging from 3.86% to 6.88% (2020 - 3.86% to 6.76% ) per annum and are secured by:-

- Master agreement between a subsidiary of the Company and the bank;
- Assignment of Hire Purchase/Non-Act Leasing Agreements through a power of attorney in favour of the bank;
- Corporate guarantee of the Company; and
- Placement of certain fixed deposits of a subsidiary.

## 30. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At 1 January	2,373	2,223	1,910	1,910
Recognised in profit or loss (Note 38)	548	150	-	-
At 31 December	2,921	2,373	1,910	1,910

The deferred tax liabilities are attributable to the following:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Accelerated capital allowances	1,892	1,644	1,351	1,351
Development costs	1,029	729	559	559
	2,921	2,373	1,910	1,910

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 30. DEFERRED TAX LIABILITIES (CONT'D)

The Group has not recognised the deferred tax liabilities of the following items as the directors are of the opinion that the deferred tax liabilities will not crystallise in the foreseeable future as the business operations of which the deferred tax liabilities arose are operated by subsidiary of which MSC status has been granted.

	The Group	
	2021 RM'000	2020 RM'000
Accelerated capital allowances	-	11,253
Others	-	(3,574)
	-	7,679

## 31. TRADE PAYABLES

The normal trade credit terms granted to the Group and the Company range from cash terms to 90 (2020 - cash terms to 90) days.

## 32. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other payables:-				
Third parties	10,445	4,605	6,329	4,199
Goods and services tax payable	20	13	-	-
Sales and services tax payable	392	398	68	60
	10,857	5,016	6,397	4,259
Accruals	38,401	21,006	6,916	2,433
Deposits	18,642	817	2,949	204
	67,900	26,839	16,262	6,896

## 33. DEFERRED REVENUE

The deferred revenue primarily relate to advance considerations received from customers for the rental of devices and advanced billings for other maintenance, advertising and marketing services of which the revenue will be recognised over the remaining contract term of the specific contract it relates to.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 34. SHORT-TERM BORROWINGS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Term loans (Note 28)	18,325	18,025	18,325	18,025
Revolving credits	41,700	21,100	20,000	20,000
Block discounting (Note 29)	4,955	5,553	-	-
	64,980	44,678	38,325	38,025

The revolving credits of the Group and of the Company at the end of the reporting period bore contractual interest rates ranging from 3.56% to 5.36% (2020 - 3.66% to 5.36%) and 5.36% (2020 -5.36%) per annum respectively and are secured by:-

- (a) Facility Agreement between a subsidiary of the Company and bank, as principal instrument;
- (b) Corporate guarantee of the Company and certain subsidiaries; and
- (c) A specific charge over the building of the Company.

## 35. REVENUE

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from Contracts with Customers</u>				
Concession Based Services	59,608	70,043	6,101	6,360
Commercial Based Services and Products:				
- sale of goods	55,407	131,822	-	-
- services rendered	459,506	277,204	132,733	745
- concession related services	123,777	25,747	3,336	1,630
Interest income derived from financing receivables	17,193	19,238	-	-
Profit income derived from ijarah financing receivable	1,016	483	-	-
	716,507	524,537	142,170	8,735
<u>Revenue from Other Sources</u>				
Rental income	5,230	5,926	-	-
Dividend income	140	-	1,000	300,000
	721,877	530,463	143,170	308,735



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 36. NET IMPAIRMENT LOSSES/(GAIN) ON FINANCIAL ASSETS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Impairment losses:				
- financing receivables (Note 14)	239	602	-	-
- trade receivables (Note 16)	45	-	-	-
Reversal of impairment losses:				
- trade receivables (Note 16)	(5)	(2)	-	-
- other receivables (Note 17)	-	(2)	-	-
- amount owing by associates (Note 19)	-	(195)	-	(195)
	279	403	-	(195)

## 37. PROFIT BEFORE TAXATION

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Amortisation of development costs (Note 12)	22,131	5,056	8,131	2,438
Auditor's remuneration:				
- audit fees:				
- current financial year	510	380	92	68
- underprovision in the previous financial year				
- other auditor	17	15	-	-
- non-audit fees	3	3	3	3
Bad debts written off	46	8	-	-
Directors' fee (Note 43)	717	604	717	604
Directors' non-fee emoluments (Note 43)	1,328	1,311	-	-
Depreciation:				
- property and equipment (Note 8)	23,056	23,752	11,316	11,279
- investment properties (Note 9)	653	653	2,320	2,320
- right-of-use assets (Note 10)	4,581	5,909	530	731
Equipment written off (Note 8)	26	142	15	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 37. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):- (Cont'd)				
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- revolving credit	638	740	598	691
- term loans	4,965	6,074	4,965	6,074
- block discounting	942	1,147	-	-
Interest expense on lease liabilities (Note 26)	241	304	17	24
Inventories written down (Note 15)	313	69	-	-
Loss/(Gain) on foreign exchange:				
- realised	74	28	-	-
- unrealised	43	(56)	(15)	(4)
Gain on modification of leases	(1)	(75)	-	(2)
Lease expenses:				
- short-term leases	702	407	-	51
- low-value assets	87	157	48	85
- rental of equipment	202	253	47	43
Share of losses in associates	765	937	-	-
Share of losses in joint ventures	692	699	-	-
Staff costs:				
- salaries and other benefits	88,274	85,705	9,388	8,922
- defined contribution benefits	10,667	9,431	1,032	904
Dividend income from a subsidiary	-	-	(1,000)	(300,000)
Dividend income from other investments	(140)	-	-	-
Gain on disposal of equipment	(48)	(9)	(29)	-
Gain on disposal of right-of-use assets	-	(110)	-	-
Interest income on financial assets measured at amortised cost:				
- fixed deposits with licensed banks	(2,958)	(493)	(1,806)	(63)
- a subsidiary	-	-	(7,180)	(12,218)
Rental income from investment properties	(1,500)	(1,533)	(6,159)	(4,923)
Reversal of inventories previously written down (Note 15)	(22)	(17)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 38. INCOME TAX EXPENSE

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the current financial year	3,479	1,441	114	164
- (over)/underprovision in the previous financial year	(49)	173	-	-
	3,430	1,614	114	164
Deferred tax (Note 30):				
- for the current financial year	548	170	-	-
- overprovision in the previous financial year	-	(20)	-	-
	548	150	-	-
	3,978	1,764	114	164

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	320,683	268,958	30,053	276,794
Tax at the applicable statutory tax rate of 24%	76,964	64,550	7,213	66,431
Tax effects of:-				
Tax-exempt income	(70,661)	(73,165)	(433)	(15)
Non-taxable income	(34)	-	(240)	(72,000)
Non-deductible expenses	6,229	5,170	1,172	3,163
Deferred tax assets not recognised during the financial year	854	5,205	-	2,585
Utilisation of deferred tax assets previously not recognised	(9,323)	(147)	(7,598)	-
Effects of differential in tax rates of a foreign subsidiary	(2)	(2)	-	-
(Over)/Underprovision in the previous financial year:				
- current tax	(49)	173	-	-
- deferred tax	-	(20)	-	-
	3,978	1,764	114	164

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 - 24%) of the estimated assessable profit for the financial year.

On 10 August 2016, a subsidiary with MSC Malaysia status, was granted an extension of the Pioneer Status Incentive under the Promotion of Investments Act, 1986 ("Pioneer Status"). The subsidiary will enjoy full exemption from income tax on its statutory income from pioneer activities for five (5) years, from 27 April 2016 to 26 April 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 38. INCOME TAX EXPENSE (CONT'D)

The Group acquired a subsidiary during the year which was granted pioneer status on 27 March 2017. The subsidiary will enjoy full exemption from income tax on its statutory income from pioneer activities from 19 October 2017 to 30 June 2021 of which the subsidiary has applied to complete the full five (5) years pioneer status period.

No deferred tax assets are recognised in respect of the following items:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	71,841	71,817	32,736	32,736
Unabsorbed capital allowances	15,649	36,217	12,571	34,239
Accelerated capital allowances	(21,978)	(9,635)	(21,389)	(11,667)
Other provisions	4,640	7,031	705	967
	70,152	105,430	24,623	56,275

## 39. EARNINGS PER SHARE

	The Group	
	2021	2020
Profit attributable to owners of the Company (RM'000)	315,940	268,656
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January 2021/2020 ('000)	3,531,765	7,064,552*
Effect of treasury shares buy-back ('000)	(21,027)	(24,978)*
Effect of new ordinary shares issued ('000)	-	12,226*
Effect of new ordinary shares issued pursuant to bonus issue ('000)	3,690,310	-
Effect of new ordinary shares issued pursuant to DRP ('000)	5,725	14,210*
Effect of new ordinary shares issued pursuant to private placement ('000)	36,721	9,836*
Weighted average number of ordinary shares at 31 December 2021/2020 ('000)	7,243,494	7,075,846*
Basic earnings per share (Sen)	4.4	3.8

\* - The weighted average number of ordinary shares in issue had been adjusted retrospectively, to reflect the Bonus Issue as though the Bonus Issue had been issued from the earliest period of these financial statements as required by MFRS 133 - Earnings Per Shares.

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

## 40. ACQUISITION OF SUBSIDIARIES

On 1 May 2021, GVSB acquired 100% equity interests in NFT Creative. The acquisition of the subsidiaries is to enable the Group to expand its business into providing solutions and technical services and support related to application and software development.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 40. ACQUISITION OF SUBSIDIARIES (CONT'D)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 2021 RM'000
Equipment	21
Trade receivables	7
Other receivable and deposit	#
Cash and bank balances	7
Other payables and accruals	(278)
Amount owing to directors	(156)
Net identifiable assets and liabilities	(399)
Add: Goodwill on consolidation	1,548
	1,149
Less: Cash and bank balances of subsidiaries acquired	(7)
	1,142

The goodwill is attributable mainly to the 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 benefits 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 purposes.

The subsidiaries have contributed revenue of RM188,020,250 and profit after taxation of RM157,516,324 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.

## 41. DIVIDENDS

	The Group/ The Company	2021 RM'000	2020 RM'000
In respect of the financial period ended 31 December 2019:			
- a final dividend of 2.0 sen per ordinary share, paid on 5 November 2020		-	69,053
In respect of the financial year ended 31 December 2020:			
- a first interim dividend of 0.50 sen per ordinary share, paid on 5 November 2020		-	17,263
- a final dividend of 1.70 sen per ordinary share, paid on 9 September 2021		61,005	-
In respect of the financial year ended 31 December 2021:			
- a first interim dividend of 0.25 sen per ordinary share, paid on 11 November 2021		17,997	-
		79,002	86,316

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 41. DIVIDENDS (CONT'D)

During the financial year, the Company issued a total of 18,380,084 new ordinary shares pursuant to the DRP applicable to the final dividend of 1.70 sen per ordinary share of MYEG for the financial year ended 31 December 2021 at the price of RM1.65 per share which amounted to RM30,327,139.

At the forthcoming Annual General Meeting, a final dividend of 1.03 sen per ordinary share amounting to approximately RM76.31 million in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2022.

## 42. CASH FLOW INFORMATION

(a) The cash disbursed for the addition of right-of-use assets is as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Right-of-use assets</b>				
Cost of right-of-use assets acquired (Note 10)	9,344	3,674	237	592
Less: Addition of new lease liabilities (Note (b) below)	(4,538)	(3,635)	(237)	(592)
	4,806	39	-	-

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Term Loans	Revolving Credit	Block Discounting	Lease Liabilities	Total
The Group	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2021</b>					
At 1 January 2021	128,010	21,100	16,408	5,457	170,975
<b>Changes in Financing Cash Flows</b>					
Proceeds from drawdown	-	20,600	1,773	-	22,373
Repayment of principal	(21,703)	-	(5,641)	(4,448)	(31,792)
Repayment of interests	(4,965)	(638)	(942)	(241)	(6,786)
	(26,668)	19,962	(4,810)	(4,689)	(16,205)
<b>Non-cash Changes</b>					
Acquisition of new leases (Note 26)	-	-	-	4,538	4,538
Interest expense recognised in profit or loss (Note 37)	4,965	638	942	241	6,786
Changes due to lease modification (Note 26)	-	-	-	(11)	(11)
	4,965	638	942	4,768	11,313
At 31 December 2021	106,307	41,700	12,540	5,536	166,083



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 42. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (cont'd)

The Group	Term Loans RM'000	Revolving Credit RM'000	Block Discounting RM'000	Lease Liabilities RM'000	Total RM'000
<b>2020</b>					
At 1 January 2020	137,749	21,100	17,152	9,696	185,697
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	-	-	4,337	-	4,337
Repayment of principal	(9,739)	-	(5,081)	(5,722)	(20,542)
Repayment of interests	(6,074)	(740)	(1,147)	(304)	(8,265)
	(15,813)	(740)	(1,891)	(6,026)	(24,470)
<u>Non-cash Changes</u>					
Acquisition of new leases (Note 26)	-	-	-	3,635	3,635
Interest expense recognised in profit or loss (Note 37)	6,074	740	1,147	304	8,265
Changes due to lease modification (Note 26)	-	-	-	(2,152)	(2,152)
	6,074	740	1,147	1,787	9,748
At 31 December 2020	128,010	21,100	16,408	5,457	170,975
<b>The Company</b>	<b>Term Loans RM'000</b>	<b>Revolving Credit RM'000</b>	<b>Lease Liabilities RM'000</b>	<b>Total RM'000</b>	
<b>2021</b>					
At 1 January 2021	128,010	20,000	611	148,621	
<u>Changes in Financing Cash Flows</u>					
Repayment of principal	(21,703)	-	(535)	(22,238)	
Repayment of interests	(4,965)	(598)	(17)	(5,580)	
	(26,668)	(598)	(552)	(27,818)	
<u>Non-cash Changes</u>					
Acquisition of new leases (Note 26)	-	-	237	237	
Interest expense recognised in profit or loss (Note 37)	4,965	598	17	5,580	
	4,965	598	254	5,817	
At 31 December 2021	106,307	20,000	313	126,620	

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 42. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (cont'd)

The Company	Term Loans RM'000	Revolving Credit RM'000	Lease Liabilities RM'000	Total RM'000
<b>2020</b>				
At 1 January 2020	137,749	20,000	786	158,535
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(9,739)	-	(743)	(10,482)
Repayment of interests	(6,074)	(691)	(24)	(6,789)
	(15,813)	(691)	(767)	(17,271)
<u>Non-cash Changes</u>				
Acquisition of new leases (Note 26)	-	-	592	592
Interest expense recognised in profit or loss (Note 37)	6,074	691	24	6,789
Changes due to lease modification (Note 26)	-	-	(24)	(24)
	6,074	691	592	7,357
At 31 December 2020	128,010	20,000	611	148,621

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2021 RM'000	2020 RM'000
Interest paid on lease liabilities	241	304
Payment of lease liabilities	4,448	5,722
	4,689	6,026

	The Company	
	2021 RM'000	2020 RM'000
Interest paid on lease liabilities	17	24
Payment of lease liabilities	535	743
	552	767

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 42. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	16,165	12,829	8,030	7,688
Cash and bank balances (including short-term investments)	73,114	221,784	31,993	95,612
	89,279	234,613	40,023	103,300
Less: Cash at trust account balances	(2)	(2)	-	-
Less: Fixed deposits pledged to licensed banks	(13,336)	(12,624)	(8,030)	(7,688)
Less: Fixed deposits with tenure more than 3 months	(123)	(121)	-	-
	75,818	221,866	31,993	95,612

## 43. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group.

The key management personnel compensation during the financial year is as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Directors</b>				
<u>Directors of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- fees	360	360	360	360
<i>Non-executive Directors</i>				
Short-term employee benefits:				
- fees	357	244	357	244
	717	604	717	604

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 43. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year is as follows:- (cont'd)

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Directors (cont'd)</b>				
<u>Directors of the Subsidiaries</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	987	978	-	-
- defined contribution benefits	112	116	-	-
<u>Non-executive Directors</u>				
Short-term employee benefits:				
- other benefits	204	195	-	-
- defined contribution benefits	25	22	-	-
	1,328	1,311	-	-
<b>Other Key Management Personnel</b>				
Short-term employee benefits	1,823	1,598	-	-
Defined contribution benefits	201	174	-	-
Total compensation for other key management personnel	2,024	1,772	-	-

## 44. RELATED PARTY DISCLOSURES

### (a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly 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.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, joint ventures, key management personnel and entities within the same group of companies.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 44. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Sales to:</b>				
<i>A subsidiary</i>				
MECSB	-	-	960	720
EGSB	-	-	45,000	-
<b>Dividend income from a subsidiary</b>				
EGSB	-	-	-	300,000
GVS	-	-	1,000	-
<b>Purchase from subsidiaries</b>	-	-	-	1
<b>Management fees charged by a subsidiary:</b>				
MYEGMS	-	-	3,509	2,005
<b>Rental income from subsidiaries</b>	-	-	4,683	3,390
<b>Interest income from a subsidiary</b>	-	-	7,180	12,218
<b>Professional fees charged by a related party:</b>				
Embunaz Ventures Sdn. Bhd.*	250	250	250	250
<b>Transfer of assets from an associate</b>				
MINT (Note 8)	-	390	-	390

\* a Company in which Dato' Dr Norraesah Binti Haji Mohamad has a substantial financial interest.

The significant outstanding balances of the related parties together with their terms are disclosed in the respective notes to the financial statements.

## 45. OPERATING SEGMENTS

### 45.1 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.

### 45.2 INFORMATION ON GEOGRAPHICAL LOCATION OF CUSTOMERS

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 RM12 million as at the financial year end (2020 - RM15.6 million).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 45. OPERATING SEGMENTS (CONT'D)

### 45.2 INFORMATION ON GEOGRAPHICAL LOCATION OF CUSTOMERS (cont'd)

The information on the disaggregation of revenue based on the countries which the customers are based is summarised below:-

	At A Point in Time		Over Time		Group	
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	673,339	404,575	12,488	11,923	685,827	416,498
Outside Malaysia	36,050	113,950	-	15	36,050	113,965
	709,389	518,525	12,488	11,938	721,877	530,463

### 45.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue	
	2021	2020
	RM'000	RM'000
Customer #1	-	113,950
Customer #2	86,500	-
	86,500	113,950

## 46. CAPITAL COMMITMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Purchase of property and equipment	138,126	114,210	124,273	49,205
Development costs	83,187	60,000	-	60,000
	221,313	174,210	124,273	109,205

## 47. CONTINGENT LIABILITIES

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:-

	The Company	
	2021	2020
	RM'000	RM'000
Corporate guarantees given to licensed banks for credit facilities granted to:		
- subsidiaries	20,540	24,408



# NOTES TO THE FINANCIAL STATEMENTS

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## 48. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

#### (a) Market Risk

##### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Indonesian Rupiah ("IDR"), Singapore Dollar ("SGD"), United States Dollar ("USD") and Philippine Peso ("PHP") and foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

#### Foreign Currency Exposure

	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>The Group</b>					
<b>2021</b>					
<u>Financial Assets</u>					
Other investments	-	-	-	246,493	246,493
Financing receivables	-	-	-	319,277	319,277
Trade receivables *	-	-	-	289,625	289,625
Other receivables	-	-	11	35,580	35,591
Amount owing by associates	-	-	-	28	28
Amount owing by joint ventures	-	-	2,508	2	2,510
Fixed deposits with licensed banks	-	-	-	16,165	16,165
Cash and bank balances	30	129	152	72,803	73,114
	30	129	2,671	979,973	982,803

\* - The trade receivables exclude accrued income.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (a) Market Risk (cont'd)

##### (i) Foreign Currency Risk (cont'd)

Foreign Currency Exposure (cont'd)

	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>The Group</b>					
<b>2021</b>					
<u>Financial Liabilities</u>					
Trade payables	1,035	-	-	100,574	101,609
Other payables and accruals	-	-	10	67,478	67,488
Amount owing to associates	-	-	-	24	24
Lease liabilities	-	-	-	5,536	5,536
Term loans	-	-	-	106,307	106,307
Revolving credit	20,600	-	-	21,100	41,700
Block discounting	-	-	-	12,540	12,540
	21,635	-	10	313,559	335,204
Net financial (liabilities)/assets	(21,605)	129	2,661	666,414	647,599
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	-	(666,414)	(666,414)
Currency exposure	(21,605)	129	2,661	-	(18,815)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (a) Market Risk (cont'd)

##### (i) Foreign Currency Risk (cont'd)

Foreign Currency Exposure (cont'd)

	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>The Group</b>					
<b>2020</b>					
<u>Financial Assets</u>					
Other investments	-	-	-	138,000	138,000
Financing receivables	-	-	-	229,631	229,631
Trade receivables *	-	-	-	172,098	172,098
Other receivables	-	-	11	32,566	32,577
Amount owing by associates	-	-	-	5	5
Amount owing by joint ventures	-	-	513	1	514
Fixed deposits with licensed banks	-	-	-	12,829	12,829
Cash and bank balances	30	727	346	220,681	221,784
	30	727	870	805,811	807,438
<u>Financial Liabilities</u>					
Trade payables	2,083	-	-	70,321	72,404
Other payables and accruals	-	-	2	26,426	26,428
Amount owing to an associate	-	-	-	33	33
Lease liabilities	-	-	-	5,457	5,457
Term loans	-	-	-	128,010	128,010
Revolving credit	-	-	-	21,100	21,100
Block discounting	-	-	-	16,408	16,408
	2,083	-	2	267,755	269,840
Net financial (liabilities)/assets	(2,053)	727	868	538,056	537,598
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	-	(538,056)	(538,056)
Currency exposure	(2,053)	727	868	-	(458)

\* - The trade receivables exclude accrued income.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (a) Market Risk (cont'd)

##### (i) Foreign Currency Risk (cont'd)

##### Foreign Currency Exposure (cont'd)

	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>The Company</b>			
<b>2021</b>			
<u>Financial Assets</u>			
Trade receivables	-	2,128	2,128
Other receivables	-	15,274	15,274
Amount owing by subsidiaries	-	843,351	843,351
Fixed deposits with licensed banks	-	8,030	8,030
Cash and bank balances	129	31,864	31,993
	129	900,647	900,776
<u>Financial Liabilities</u>			
Trade payables	-	3,813	3,813
Other payables and accruals	-	16,194	16,194
Amount owing to subsidiaries	-	997	997
Lease liabilities	-	313	313
Term loans	-	106,307	106,307
Revolving credit	-	20,000	20,000
	-	147,624	147,624
Net financial assets	129	753,023	753,152
Less: Net financial assets denominated in the respective entities' functional currencies	-	(753,023)	(753,023)
Currency exposure	129	-	129

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (a) Market Risk (cont'd)

##### (i) Foreign Currency Risk (cont'd)

Foreign Currency Exposure (cont'd)

	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>The Company</b>			
<b>2020</b>			
<u>Financial Assets</u>			
Trade receivables	-	1,003	1,003
Other receivables	-	18,389	18,389
Amount owing by subsidiaries	-	697,403	697,403
Amount owing by associates	-	#	#
Fixed deposits with licensed banks	-	7,688	7,688
Cash and bank balances	727	94,885	95,612
	727	819,368	820,095
<u>Financial Liabilities</u>			
Trade payables	-	2,300	2,300
Other payables and accruals	-	6,836	6,836
Amount owing to subsidiaries	-	1,362	1,362
Lease liabilities	-	611	611
Term loans	-	128,010	128,010
Revolving credit	-	20,000	20,000
	-	159,119	159,119
Net financial assets	727	660,249	660,976
Less: Net financial assets denominated in the respective entities' functional currencies	-	(660,249)	(660,249)
Currency exposure	727	-	727

# - Represents an amount less than RM1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (a) Market Risk (cont'd)

##### (i) Foreign Currency Risk (cont'd)

###### *Foreign Currency Risk Sensitivity Analysis*

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group and the Company does not have a material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables, fixed deposits with licensed banks and fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined under MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 27 and 34 to the financial statements.

###### *Interest Rate Risk Sensitivity Analysis*

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

##### (iii) Equity Price Risk

The Group does not have any quoted investment and hence, is not exposed to any equity price risk.

#### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade, financing, and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and short-term cash investments), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (b) Credit Risk (cont'd)

##### (i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amount owing by 2 customers which constitutes approximately 25% of its trade and financing receivables as at end of the reporting period.

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:-

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	594,002	338,464	2,128	1,003
Outside Malaysia	16,050	63,950	-	-
	610,052	402,414	2,128	1,003

##### (ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM20,539,984 (2020 - RM24,408,214) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

##### (iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (b) Credit Risk (cont'd)

##### (iii) Assessment of Impairment Losses (cont'd)

##### Trade Receivables and Financing Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade and financing receivables.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade and financing receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis based on their financial information, past trends of payments and external credit rating, where applicable.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information based on the comparison of historical and future debtor-turnover period of the Group.

For impaired loans, advances and financing ("loan(s)") which are individually assessed, judgement by management is required in the estimation of the amount and timing of future cash flows in the determination of impairment losses. In estimating these cash flows, judgements are made about the realisable value of collateral pledged and the borrower's financial position. These estimations are based on assumptions and the actual results may differ from these, hence, resulting in changes to impairment losses recognised.

##### *Allowance for Impairment Losses*

	Gross Amount RM'000	Collective Impairment RM'000	Carrying Amount RM'000
<b>The Group</b>			
<b>2021</b>			
Current (not past due)	480,142	-	480,142
Less than 3 months past due	23,306	-	23,306
3 to 6 months past due	17,483	-	17,483
More than 6 months past due	90,420	(2,449)	87,971
	611,351	(2,449)	608,902
<b>2020</b>			
Current (not past due)	300,046	-	300,046
Less than 3 months past due	39,852	-	39,852
3 to 6 months past due	43,327	-	43,327
More than 6 months past due	20,674	(2,170)	18,504
	403,899	(2,170)	401,729

The movements in the loss allowances in respect of financing and trade receivables are disclosed in Notes 14 and 16 to the financial statements respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (b) Credit Risk (cont'd)

##### (iii) Assessment of Impairment Losses (cont'd)

###### The Company

The Company believes that no impairment allowance is necessary in respect of its trade receivables.

###### Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired.	Lifetime expected credit losses

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

###### Amount Owing By Joint Ventures (Non-trade balances)

The Group applies the 3-stage general approach to measuring expected credit losses for its amount owing by joint ventures and amount owing by related parties.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (b) Credit Risk (cont'd)

##### (iii) Assessment of Impairment Losses (cont'd)

#### The Company (cont'd)

##### Amount Owning By Joint Ventures (Non-trade balances) (cont'd)

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information that will affect the ability of the receivable to settle its debts.

##### Allowance for Impairment Losses

No expected credit loss is recognised on amount owing by joint ventures as it is negligible.

##### Amount Owning By Associates

The Group applies the 3-stage general approach to measuring expected credit losses for its amount owing by associates.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information that will affect the ability of the receivable to settle its debts.

##### Allowance for Impairment Losses

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
<b>The Group</b>			
<b>2021</b>			
Low credit risk	28	-	28
Credit Impaired	95,255	(95,255)	-
	95,283	(95,255)	28
<b>2020</b>			
Low credit risk	5	-	5
Credit Impaired	95,255	(95,255)	-
	95,260	(95,255)	5

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (b) Credit Risk (cont'd)

##### (iii) Assessment of Impairment Losses (cont'd)

#### The Company (cont'd)

##### Amount Owing By Associates (cont'd)

##### Allowance for Impairment Losses (cont'd)

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
<b>The Company</b>			
<b>2021</b>			
Low credit risk	#	-	#
Credit Impaired	72,555	(72,555)	-
	72,555	(72,555)	#
<b>2020</b>			
Low credit risk	#	-	#
Credit Impaired	72,555	(72,555)	-
	72,555	(72,555)	#

# - The amount is less than RM1,000

##### Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions to have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

##### Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all the inter-company balances.

##### Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (b) Credit Risk (cont'd)

##### (iii) Assessment of Impairment Losses (cont'd)

##### **The Company (cont'd)**

##### Fixed Deposits with Licensed Banks, Cash and Bank Balances (cont'd)

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (cont'd)*

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

##### *Allowance for Impairment Losses*

No expected credit loss is recognised on amount owing by subsidiaries as it is negligible.

##### Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

#### Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>The Group</b>						
<b>2021</b>						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	3.19 - 6.36	5,536	5,848	2,796	3,052	-
Term loans	3.34 - 6.45	106,307	119,808	25,995	71,795	22,018
Revolving credit	3.99 - 5.36	41,700	43,563	43,563	-	-
Block discounting	3.86 - 6.88	12,540	13,725	5,618	8,107	-
Trade payables	-	101,609	101,609	101,609	-	-
Other payables and accruals	-	67,488	67,488	67,488	-	-
Amount owing to associates	-	24	24	24	-	-
		335,204	352,065	247,093	82,954	22,018
<b>2020</b>						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	3.12 - 6.36	5,457	6,165	4,762	1,403	-
Term loans	3.34 - 6.45	128,010	140,111	24,768	88,486	26,857
Revolving credit	3.66 - 5.36	21,100	21,233	21,233	-	-
Block discounting	3.86 - 6.76	16,408	18,295	6,477	11,818	-
Trade payables	-	72,404	72,404	72,404	-	-
Other payables and accruals	-	26,428	26,428	26,428	-	-
Amount owing to associates	-	33	33	33	-	-
		269,840	284,669	156,105	101,707	26,857

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

#### (c) Liquidity Risk (cont'd)

##### Maturity Analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates, if floating, based on the rates at the end of the reporting period):- (cont'd)

	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>The Company</b>						
<b>2021</b>						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	3.35	313	319	277	42	-
Term loans	2.75 - 3.65	106,307	119,808	25,995	71,795	22,018
Revolving credit	5.36	20,000	21,073	21,073	-	-
Trade payables	-	3,813	3,813	3,813	-	-
Other payables and accruals	-	16,194	16,194	16,194	-	-
Amount owing to subsidiaries	-	997	997	997	-	-
Financial corporate guarantee given to certain subsidiaries	-	-	24,408	24,408	-	-
		147,624	186,612	92,757	71,837	22,018
<b>2020</b>						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	3.35 - 4.35	611	660	470	190	-
Term loans	3.34 - 6.45	128,010	140,111	24,768	88,486	26,857
Revolving credit	5.36	20,000	20,112	20,112	-	-
Trade payables	-	2,300	2,300	2,300	-	-
Other payables and accruals	-	6,836	6,836	6,836	-	-
Amount owing to subsidiaries	-	1,362	1,362	1,362	-	-
Financial corporate guarantee given to certain subsidiaries	-	-	24,408	24,408	-	-
		159,119	195,789	80,256	88,676	26,857

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.2 CAPITAL RISK 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.

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:-

	The Group	
	2021	2020
	RM'000	RM'000
Lease liabilities	5,536	5,457
Term loans	106,307	128,010
Revolving credit	41,700	21,100
Block discounting	12,540	16,408
Trade payables	101,609	72,404
Other payables and accruals	67,488	26,428
Amount owing to associates	24	33
	335,204	269,840
Less: Fixed deposits with licensed banks	(16,165)	(12,829)
Less: Cash and bank balances	(73,114)	(221,784)
Net debt	245,925	35,227
Total equity	1,541,449	1,142,823
Debt-to-equity ratio	0.16	0.03

There was no change in the Group's approach to capital management during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group 2021 RM'000	The Company 2021 RM'000
<b>Financial Assets</b>		
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Other investments	246,493	-
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments (included in cash at bank)	4,026	2,083
<u>Amortised Cost</u>		
Financing receivables	319,277	-
Trade receivables *	289,625	2,128
Other receivables	35,591	15,274
Amount owing by subsidiaries	-	843,351
Amount owing by associates	28	#
Amount owing by joint ventures	2,510	-
Fixed deposits with licensed banks	16,165	8,030
Cash and bank balances	69,088	29,910
	732,284	898,693
<b>Financial Liabilities</b>		
<u>Amortised Cost</u>		
Lease liabilities	5,536	313
Term loans	106,307	106,307
Revolving credit	41,700	20,000
Block discounting	12,540	-
Trade payables	101,609	3,813
Other payables and accruals	67,488	16,194
Amount owing to subsidiaries	-	997
Amount owing to associates	24	-
	335,204	147,624

\* - The trade receivables exclude accrued income.

# - Represents an amount less than RM1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (cont'd)

	The Group 2020 RM'000	The Company 2020 RM'000
<b>Financial Assets</b>		
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Unquoted investments	138,000	-
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments (included in cash at bank)	116,347	55,650
<u>Amortised Cost</u>		
Financing receivables	229,631	-
Trade receivables *	172,098	1,003
Other receivables	32,577	18,389
Amount owing by subsidiaries	-	697,403
Amount owing by associates	5	#
Amount owing by joint ventures	514	-
Fixed deposits with licensed banks	12,829	7,688
Cash and bank balances	105,437	39,962
	553,091	764,445
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Lease liabilities	5,457	611
Term loans	128,010	128,010
Revolving credit	21,100	20,000
Block discounting	16,408	-
Trade payables	72,404	2,300
Other payables and accruals	26,428	6,836
Amount owing to subsidiaries	-	1,362
Amount owing to an associate	33	-
	269,840	159,119

\* - The trade receivables exclude accrued income.

# - Represents an amount less than RM1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group 2021 RM'000	The Company 2021 RM'000
<b>Financial Assets</b>		
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	2,679	8,986
<b>Financial Liabilities</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(6,545)	(5,563)
	The Group 2021 RM'000	The Company 2021 RM'000
<b>Financial Assets</b>		
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	90	12,476
<b>Financial Liabilities</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(7,961)	(6,765)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of 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 following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>								
<b>2021</b>								
<u>Financial Assets</u>								
Other investments:								
- unquoted investments	-	24,055	222,438	-	-	-	246,493	246,493
Financing receivables	-	-	-	-	319,277	-	319,277	319,277
Short-term investments	-	4,026	-	-	-	-	4,026	4,026
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	106,307	-	106,307	106,307
Revolving credit	-	-	-	-	41,700	-	41,700	41,700
Block discounting	-	-	-	-	12,540	-	12,540	12,540

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.5 FAIR VALUE INFORMATION (cont'd)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
<b>The Group</b>								
<b>2020</b>								
<u>Financial Assets</u>								
Other investments:								
- unquoted investments	-	108,640	29,360	-	-	-	138,000	138,000
Financing receivables	-	-	-	-	229,631	-	229,631	229,631
Short-term investments	-	116,347	-	-	-	-	116,347	116,347
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	128,010	-	128,010	128,010
Revolving credit	-	-	-	-	21,100	-	21,100	21,100
Block discounting	-	-	-	-	16,408	-	16,408	16,408

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.5 FAIR VALUE INFORMATION (cont'd)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>The Company</b>								
<b>2021</b>								
<u>Financial Asset</u>								
Short-term investments	-	2,083	-	-	-	-	2,083	2,083
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	106,307	-	106,307	106,307
Revolving credit	-	-	-	-	20,000	-	20,000	20,000
<b>2020</b>								
<u>Financial Asset</u>								
Short-term investments	-	55,650	-	-	-	-	55,650	55,650
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	128,010	-	128,010	128,010
Revolving credit	-	-	-	-	20,000	-	20,000	20,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.5 FAIR VALUE INFORMATION (cont'd)

#### (a) Fair Value of Financial Instruments Carried at Fair Value

- (aa) 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.
- (bb) 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 as disclosed in Note 11 to the financial statements.
- (cc) The fair value of the short-term investments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

#### (b) Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of the Group's term loans and revolving credits that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair values of financing receivables, hire purchase and finance lease receivables and block discounting that carry fixed interest rates are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The effective interest/profit rates used to discount the estimated cash flows are as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	%	%	%	%
Hire purchase and finance lease receivables	2.60 - 10.00	2.60 - 10.00	-	-
Ijarah financing receivables	3.55 - 10.00	3.69 - 10.00	-	-
Loan receivables	7.40 - 7.65	7.40 - 7.65	-	-
Block discounting	3.86 - 6.88	3.86 - 6.76	-	-

## 49. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 8 January 2021, the Company and Zhifei had received affirmations of support and assistance from the Ministry of Health Malaysia and Clinical Research Malaysia respectively for the commencement of clinical trials in the country, subject to the existing laws and regulations governing such clinical trials.

On 22 February 2021, MYEGM, a wholly-owned sub-subsidiary of the Company had entered into a Supply and Distribution Agreement ("the Agreement") with Zhifei for the purpose of appointing MYEGM as the exclusive distributor in Malaysia of the COVID-19 Vaccine for a period of 3 years; thereby superseding the MOU signed on 7 December 2020. Therefore, the MOU would no longer subsist.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 49. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) (cont'd)

On 8 March 2021, the Company had further clarified the following areas of cooperation continue to subsist and have been formalised in the Agreement:-

- (i) to conduct phase 3 clinical trials of Zhifei's COVID-19 Vaccine;
- (ii) to achieve compliance of Halal status requirements to secure Halal certification from the Department of Islamic Development Malaysia (JAKIM); and
- (iii) to be the exclusive distributor of the COVID-19 Vaccine in Malaysia for a period of 3 years.

- (b) On 27 January 2021, MLSB, a wholly-owned sub-subsidiary of the Company has made the final payment amounting to RM5,381,795 whereby MLSB has previously requested a temporary extension on the payment period for the remaining lease consideration with Johor Corporation for the land at PLO 59, Tanjung Langsat Industrial Complex in relation to a proposed Tanjung Langsat Foreign Workers' Accommodation ("FWA") project.

- (c) On 29 January 2021, MYEGC announced its participation in a recent Series A financing by Beijing DeepScience Technology Ltd. ("DeepScience"), a leading virtual live streaming, real-time animation and digital human company.

- (d) On 3 February 2021, MYEGM entered into an Exclusive Distribution Agreement with Rubin Investment Pte Ltd ("Rubin"), a company incorporated and existing under the laws of Singapore, to act as Distributor for COVID-19 Diagnostic Suit of Products ("Products") from Veredus Laboratories Pte. Ltd. ("Veredus") in order to promote and sell the said Products in Malaysia.

- (e) On 19 February 2021, the Company launched Hotel Quarantine Portal SafeQ, an online portal offering an array of hotel accommodation and amenity options available to low risk COVID-19 local patients who wish to undergo mandatory quarantine requirements in more comfortable settings ("SafeQ online portal").

- (f) On 25 February 2021, the Company launched the use of deep throat saliva-based testing for the COVID-19 virus in Malaysia with the introduction of an at-home screening service in collaboration with BP Healthcare. The service was available from 1 March 2021 at MYEG's online portal and was offered at RM150 per test.

- (g) On 16 March 2021, the Company had proposed to undertake the following proposals:-

- (i) proposed bonus issue of up to 4,149,122,710 new ordinary shares in MYEG ("Bonus Shares") on the basis of one Bonus Share for every one existing MYEG Share.

Further on 23 August 2021, it was announced that the entitlement date has been fixed on 14 September 2021.

Subsequently on 14 September 2021, the Company has issued 3,690,309,821 new ordinary shares pursuant to the bonus issue. The new ordinary shares have been listed and quoted on the Main Market of Bursa Securities effective 15 September 2021, thus marking the completion of the bonus issue.

- (ii) proposed diversification of existing businesses of MYEG and its subsidiaries to include healthcare related businesses; and
- (iii) proposed amendment to Constitution of the Company to provide greater clarity, enhance administrative efficiency as well as to ensure consistency with the guidelines which may be issued by the regulations from time to time.

- (h) On 18 March 2021, MLSB, a wholly-owned sub-subsidiary of the Company acquired 11 units of office located at Lorong Sultan Mohamed 25, Taman IKS PKNS, Bandar Sultan Suleiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan, Malaysia, from the Selangor State Development Corporation for a total consideration of RM4,525,000.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

### 49. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (i) On 12 April 2021, the Company further subscribed to a total of 5,923,415 shares of MYEG Philippines, a joint venture of the Company, with par value of P1.00 per share representing 15% of the enlarged issued and outstanding capital stock for a total consideration of PHP43,704,000 which is equivalent to approximately RM3,723,300. As at the financial year end, the Company holds a 40% equity interest in MYEG Philippines.
- (j) On 27 April 2021, the Company announced that its existing e-commerce platform NAK BELI has been rebranded to BELI e-Mart, which will offer same day delivery for customers residing within Petaling Jaya and the vicinity of its two newly opened BELI Mart grocery stores in Puchong and SS15 Subang Jaya.
- (k) On 3 May 2021, the Company had informed that the Court of Appeal had dismissed MYEG and MECSB's appeal against the decision by Kuala Lumpur High Court in affirming the decision by the Malaysia Competition Commission ("MyCC") for violating competition law and having a dominant position in relation to the sale of mandatory insurance for online applications of temporary employment permits for foreign workers ("Pas Lawatan Kerja Sementara").

There is no financial impact for the financial year ended 31 December 2021 as MYEG and MYEGC has fully paid up the fines amounting to RM9.64 million in the financial year ended 31 December 2019.

- (l) On 6 May 2021, the Company received a letter of acceptance from MIMOS Berhad in relation to the provision of service desk and its related services for vaccine traceability system ("the Project"). The tenure of the Project is for a period of one year from 1 June 2021 to 31 May 2022 with an option to extend for a further one (1) year term upon its expiry. The total value of the Project for the first year is approximately RM400,000 and RM250,000 for the optional one (1) year extension.
- (m) On 24 May 2021, the Company entered into a Memorandum of Understanding with Breathonix Pte Ltd ("BRX") to pursue the following objectives:-
  - (i) establish a commercial relationship with BRX and to obtain regulatory approval in Malaysia to sell and/or lease the breath analysis technology developed by BRX for identifying certain Covid-19 bio-markers and correspondingly producing rapid Covid-19 test results.
  - (ii) establish an exclusive distribution relationship with BRX for the sale and/or lease of BRX Technology and its Associated Systems in Malaysia.

Further on 25 November 2021, MYEGM, a wholly-owned sub-subsidiary of the Company received a notification from the Medical Device Authority ("MDA") under the Ministry of Health Malaysia dated 24 November 2021 on their concurrence for the use of Breathonix's BreFence Go COVID-19 Breath Test System ("BreFence Go") for mass screening, in accordance with the prevailing national protocols and guidelines pertaining to COVID-19 infection control.

On 8 December 2021, MYEGM received a letter from MOH to allow the deployment of BreFence Go as an alternative COVID-19 screening method at the country's entry points including international airports in accordance with the Government's prevailing policies and guidelines.

On 22 December 2021, MYEGM entered into a Comprehensive Exclusive Distribution Agreement ("Agreement") with BRX for the purpose of appointing MYEGM as the exclusive distributor for all market segments in Malaysia for the marketing, sale and distribution of the contractual products in relation to the BreFence Go as stated in the Agreement for a period of 3 years commencing 22 December 2021 ("Initial Term") and automatic yearly renewal for 1 year term after the Initial Term and subsequent terms. The Agreement shall now supersede the MOU entered on 24 May 2021.

- (n) On 16 June 2021, Bursa Malaysia Securities Berhad has resolved to grant an extension of time of 6 months from 15 June 2021 to 14 December 2021 for the Company to complete the implementation of the Proposed Placement.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 49. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (o) On 17 June 2021, MYEGM, a wholly owned subsidiary of the Company and MYEG Philippines, a joint venture company of the Company entered into joint venture agreements respective in their respective territories.

MYEGM had entered into a Joint Venture Framework Agreement with Shigatse Service Co., Ltd ("Shigatse"), to establish a joint venture company in Malaysia ("JV1"), while MYEG Philippines had entered into a Joint Venture Agreement with SinoPhil Biotech Inc. and Shigatse to establish a joint venture company in the Republic of the Philippines ("JV2") for the following purposes:-

- (i) exclusive procurement, import, distribution of recombinant protein subunit vaccine for COVID-19 ("COVID-19 Vaccine") and all other related business activities related to the distribution of COVID-19 Vaccine in the respective territories, including but not limited to procurement of all requisite licenses, qualifications, emergency use authorisation, approvals and registrations from the respective territories' Government ("Distribution Business of COVID-19 Vaccine") for JV1 and JV2;
  - (ii) exclusive or non-exclusive distribution of COVID-19 Vaccine outside of Malaysia for JV1;
  - (iii) exclusive or non-exclusive distribution of other vaccines, medicines or products from China within and outside of Malaysia for JV1; and
  - (iv) exclusive importation and distribution of other types of vaccines and pharmaceutical products from China within the Philippines for JV2.
- (p) On 10 June 2020, the Company proposed to seek its shareholder's approval for the proposed allocation of Employee Share Option Scheme ("ESOS") to the director ("Proposed ESOS") of the Company subsequent to the approval for the establishment of an ESOS being obtained at the Extraordinary General Meeting ("EGM") held on 6 August 2020 up to 10% of the total number of issued shares of the Company (excluding treasury shares) at any point in time over the duration of the ESOS for eligible persons at forthcoming EGM.

On 1 July 2021, the Proposed ESOS has been approved by the majority of the shareholder during the EGM and it was resolved that approval be and is hereby given to the directors of the Company to authorise the ESOS Committee at any time and from time to time through the duration of the ESOS, to offer and grant to the following directors of the Company, ESOS options to subscribe for the ordinary shares of the Company under the ESOS:-

- (i) Dato' Dr Norraesah Binti Haji Mohamad
  - (ii) Wong Thean Soon
  - (iii) Datuk Mohd Jimmy Wong Bin Abdullah
  - (iv) Wong Kok Chau
  - (v) Dato' Sri Mohd Mokhtar Bin Mohd Shariff
- (q) On 22 June 2021, the Company proposed to undertake the establishment of a DRP that provides shareholders of the Company with an option to elect to reinvest their cash dividend declared by the Company into new ordinary shares in MYEG ("Proposed DRP").

Further on 2 July 2021, the Company had received a letter from Bursa Malaysia Securities Berhad to approve the listing of and quotation for up to 45,597,991 new MYEG shares to be issued pursuant to the Proposed DRP.

Following the announcement on 22 July 2021, it was announced that the issue price of the new ordinary shares of the Company to be issued pursuant to the Proposed DRP has been fixed at RM1.65 per share.

Subsequently on 9 September 2021, the Company has allotted and issued 18,380,084 new ordinary shares pursuant to the DRP. The new ordinary shares have been listed and quoted on the Main Market of Bursa Securities effective 10 September 2021, thus marking the completion of the DRP.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 49. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (r) On 25 June 2021, MYEG signed a Letter of Intent ("LOI") with Zhifei to purchase 10 million doses of Zhifei's vaccine pursuant to the receipt of a Letter of No Objection ("Letter") from the Government dated 21 June 2021 for the Company to purchase Zhifei's vaccine. The Letter was granted by the Government subject to Zhifei's vaccine meeting all the rules, regulations and licensing requirements imposed by the Government and obtaining the conditional authorisation of the vaccine by the National Pharmaceutical Regulatory Agency ("NPRA").
- (s) On 21 September 2021, MYDC, a wholly-owned subsidiary of the Company had entered into a shareholders' agreement with the following parties to regulate the relationship of shareholders and other parties who will become shareholders of MYBB Techchain Sdn. Bhd. ("MYBB") (now known as Zetrix Sdn. Bhd.):
- (i) Bubi Technologies Co Ltd
  - (ii) Agmo Holdings Sdn. Bhd.; and
  - (iii) Star Jewel Capital Inc.

MYBB has been set up as a joint collaboration between MYDC and the parties which is intended to be principally involved in blockchain business development in and outside of Malaysia.

- (t) On 28 September 2021, MYEG Philippines, a joint venture company of the Company had rolled out two major e-government services, namely the online payment of income taxes to the Bureau of Internal Revenue and online payment of fees to the Philippine Economic Zone Authority.
- (u) On 12 October 2021, the Company entered into a MOU with the Institute of Industrial Internet and Internet of Things of the China Academy of Information and Communications Technology ("CAICT") of China for the international extension of China's national blockchain network, Xinghuo Blockchain Infrastructure and Facility ("Xinghuo BIF"), by introducing backbone and first supernodes outside China to be known as Zetrix.
- (v) On 18 October 2021, the Company proposed to undertake the issuance of up to 300,000,000 new MYEG Shares ("Placement Shares") amounting to RM309.0 million ("Illustrative Proceeds"), representing up to about 4.17% of the total number of issued MYEG Shares (excluding treasury shares) ("Proposed Placement"). The remaining 100,000,000 new MYEG Shares which yet to be issued under the 2020 Placement will form part of the Proposed Placement, which will entail the issuance of up to 300,000,000 new MYEG Shares.

The purposes for the new Placement Shares are as below:-

- (i) development of healthcare related services and healthcare related technology of RM60 million;
- (ii) development of Automated Training and Driving Test System ("**e-Testing**") and purchase of hardware of RM60 million;
- (iii) development of blockchain products and services of RM175 million;
- (iv) working capital of RM7.7 million; and
- (v) expenses for the proposed placement estimated at RM6.3 million.

On 29 October 2021, the Company further announced that the first tranche of the Placement has been completed following the listing and quotation of 210,000,000 new MYEG Shares on the Main Market of Bursa Securities fixed at issue price of RM1.02 per Placement Share. Total gross proceeds is amounted to RM214.2 million.

- (w) On 8 November 2021, the Company received the approval from Road Transport Department of Malaysia ("RTD") to commence the Proof of Concept ("POC") to set up an e-Testing to assess the competencies of candidates undergoing the Drivers' Learning Education Curriculum.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

(CONT'D)

## 49. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (x) On 24 November 2021, the Company entered into a MOU with A Tech Insure Sdn. Bhd. ("A Tech") to provide Malaysian civil servants with a platform to purchase motor vehicle takaful coverage together with road tax renewal by way of an interest-free Shariah compliant Qard loan facility that enables instalments payments via a salary deduction plan of up to 10 months.
- (y) On 24 November 2021, MYEGFT, a wholly-owned sub-subsidiary of the Company received a letter from Ministry of Housing and Local Government of Malaysia dated 10 November 2021, granting MYEGFT a renewal of the Moneylender's License pursuant to the Moneylenders Act 1951. The license shall be valid for a period of 2 years effective from 15 January 2022 to 14 January 2024.
- (z) On 31 December 2021, MYEGC, a wholly-owned subsidiary of the Company entered into Share Sale Agreement with S7 Holdings Sdn. Bhd. ("S7") for the purchase of 118,000,000 ordinary shares of S5 Holding Inc. ("S5"), representing 10% of the issued and paid-up share capital of S5 from S7 for a purchase consideration of RM86,500,000.

## 50. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (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.
- (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.

## 51. PRIOR YEAR ADJUSTMENT

The Group have restated the carrying amount of property, plant and equipment of RM44,525,000 as at 31 December 2020 to development cost to comply with the recognition criteria of MFRS 138.

The consolidated financial position for the financial year ended 31 December 2019 were not presented as the prior year adjustment has no impact to the opening balance as at 1 January 2020.

The impact of the prior year adjustment to the statement of financial position, are as follows:

	The Group	
	As Previously Reported	As restated
	RM'000	RM'000
Statement of Financial Position (Extract):-		
Property, plant and equipment	330,823	286,298
Development cost	126,733	171,258

## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS

The status of the utilisation of proceeds raised from the following private placement exercises as at 31 March 2022 are as follow:-

- 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' mil	Actual Proceeds raised from the Private Placement I RM' mil	Actual Utilisation RM' mil	Balance RM' mil	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>	

- ii. The first tranche of the Private Placement II amounting to RM214.2 million, which was completed on 29 October 2021 following the listing and quotation of 210,000,000 new MYEG ordinary shares ("**Placement Shares II**") on the Main Market of Bursa Securities ("**Private Placement II**");

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

## ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

### 2. MATERIAL CONTRACTS

There were no material contracts subsisting at the end of the FY2021 entered into by the Group involving the interests of the Directors and major shareholders.

### 3. CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company involving Directors' and major shareholders' interests.

### 4. RECURRENT RELATED PARTY TRANSACTIONS

Details of transactions with related parties undertaken by the Group during the FY2021 are disclosed in Note 44 to the Financial Statements.

### 5. EMPLOYEES' SHARE OPTION SCHEME

At the EGM held on 6 August 2020, the shareholders of the Company approved the establishment of 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 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.

Since then, 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 FY2021, 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 2022

Total number of issued shares	:	7,408,616,642 (including 23,095,400 treasury shares)
Class of Shares	:	Ordinary shares
Voting Right	:	One vote per Ordinary Share
Number of Shareholders	:	29,767

## DISTRIBUTION OF SHAREHOLDINGS <sup>(1)</sup>

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% <sup>(2)</sup>
Less than 100	678	2.28	19,355	*
100 to 1,000	4,547	15.27	2,522,794	0.03
1,001 to 10,000	15,591	52.38	77,182,956	1.05
10,001 to 100,000	7,383	24.80	227,680,024	3.08
100,001 – less than 5% of issued shares	1,566	5.26	6,252,480,284	84.66
5% and above issued shares	2	0.01	825,635,829	11.18
Total	29,767	100.00	7,385,521,242	100.00

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 2022 which was subsequently captured in the Record of Depository (“**ROD**”) dated 31 March 2022.

(2) Excluding a total of 23,095,400 shares bought back by the Company and retained as treasury shares based on the ROD dated 31 March 2022.

## SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Names of Substantial Shareholders	Direct Interest	No. of Shares Held		
		% <sup>(1)</sup>	Indirect Interest	% <sup>(1)</sup>
Wong Thean Soon	914,558,650	12.38	1,412,474,130 <sup>(2)</sup>	19.12
Asia Internet Holdings Sdn Bhd	1,412,474,130	19.12	-	-
Kumpulan Wang Persaraan (Diperbadankan) (“ <b>KWAP</b> ”)	462,736,412	6.27	58,394,900 <sup>(3)</sup>	0.79

Notes:-

(1) Excluding a total of 23,095,400 shares bought back by the Company and retained as treasury shares based on the ROD dated 31 March 2022.

(2) Deemed interested by virtue of his substantial shareholdings in Asia Internet Holdings Sdn Bhd pursuant to Section 8 of the Act.

(3) Deemed interested via KWAP's Fund Manager.

# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2022

(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	53,579,288	0.73	-	-
Wong Thean Soon	914,558,650	12.38	1,412,474,130 <sup>(2)</sup>	19.12
Datuk Mohd Jimmy Wong Bin Abdullah	6,822,954	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 23,095,400 shares bought back by the Company and retained as treasury shares based on the ROD dated 31 March 2022.

(2) Deemed interested 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)	450,466,397	6.10
2.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Asia Internet Holdings Sdn. Bhd. (MGN-AIH0002M)	375,169,432	5.08
3.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account – AmBank (M) Berhad for Asia Internet Holdings Sdn. Bhd.	287,097,232	3.89
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	233,488,264	3.16
5.	CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Bank Berhad (EDP 2)	219,439,524	2.97
6.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Asia Internet Holdings Sdn. Bhd. (MY2599)	195,543,060	2.65
7.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Asia Internet Holdings Sdn. Bhd. (001-Account 2)	180,116,778	2.44
8.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Thean Soon (MY4348)	129,081,696	1.75
9.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Maybank Investment Bank Berhad for Wong Thean Soon	117,179,102	1.59
10.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Asia Internet Holdings Sdn. Bhd.	114,604,260	1.55
11.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Exempt an for KGI Securities (Singapore) Pte Ltd (66589 T CL)	108,702,128	1.47
12.	Maybank Investment Bank Berhad IVT (10)	107,835,364	1.46

# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2022

(CONT'D)

## TOP THIRTY (30) SHAREHOLDERS <sup>(1)</sup> (CONT'D)

No.	Names	No. of Shares	% <sup>(2)</sup>
13.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Asia Internet Holdings Sdn. Bhd.</i>	103,003,550	1.40
14.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon (MGN-WTS0003M)</i>	100,241,404	1.36
15.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PAMB for Prulink Equity Fund</i>	94,036,422	1.27
16.	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA for Utilico Emerging Markets Trust PLC</i>	88,962,016	1.21
17.	Maybank Investment Bank Berhad <i>IVT (16)</i>	85,067,300	1.15
18.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon (8080812)</i>	82,505,842	1.12
19.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Exempt an for State Street Bank &amp; Trust Company (West CLT OD67)</i>	81,563,100	1.10
20.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon (7003171)</i>	77,581,800	1.05
21.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Wong Thean Soon</i>	76,139,750	1.03
22.	Cartaban Nominees (Asing) Sdn. Bhd. <i>GIC Private Limited for Government of Singapore (C)</i>	75,798,474	1.03
23.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Principal Asia Pacific Dynamic Income Fund</i>	70,009,600	0.95
24.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Asia Internet Holdings Sdn. Bhd.</i>	69,744,080	0.94
25.	Maybank Investment Bank Berhad <i>IVT (9)</i>	69,200,000	0.94
26.	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	64,353,400	0.87
27.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon</i>	60,000,000	0.81
28.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI)(419455)</i>	59,399,300	0.80
29.	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	59,050,562	0.80
30.	AMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Thean Soon</i>	58,883,408	0.80

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 2022 which was subsequently captured in the ROD dated 31 March 2022.
- (2) Excluding a total of 23,095,400 shares bought back by the Company and retained as treasury shares based on the ROD dated 31 March 2022.

## 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	6 years	141,805,335.28	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	6 years	41,412,415.39	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	6 years	5,959,284.46	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	6 years	6,017,574.08	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	3 year	33,333,553.06	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	6 years	7,719,413.07	2018

\* As at 31 December 2021

# NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-First (“21st”) 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, 23 June 2022 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

### AS ORDINARY BUSINESS

1. To lay the audited financial statements for the financial year ended 31 December 2021 (“FY2021”) together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**
2. To approve a final single-tier dividend of 1.03 sen per ordinary share in respect of the FY2021. **Ordinary Resolution 1**
3. To approve the payment of Directors’ fees and benefits to the Directors of the Company and its subsidiaries amounting to RM717,000 for the FY2021. **Ordinary Resolution 2**
4. To re-elect the following Directors who are retiring by rotation pursuant to Clause 94 of the Constitution of the Company:
  - 4.1 Wong Thean Soon **Ordinary Resolution 3**
  - 4.2 Wong Kok Chau **Ordinary Resolution 4**
5. To re-elect the following Directors who are appointed during the FY2021 and retiring at the 21st AGM pursuant to Clause 101 of the Constitution of the Company:
  - 5.1 Dato’ Mohd Jeffrey Bin Joakim **Ordinary Resolution 5**
  - 5.2 Mohaini Binti Mohd Yusof **Ordinary Resolution 6**
6. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

### AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

7. **PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY** **Ordinary Resolution 8**

“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 Malaysia Securities Berhad (“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 2021, the audited retained profits of the Company were approximately RM379.76 million;

# NOTICE OF THE TWENTY-FIRST 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 22nd AGM, following the 21st 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 22nd AGM, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the 22nd 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."

## 8. PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES BY DIRECTORS PURSUANT TO SECTIONS 75 AND 76 OF THE ACT

Ordinary Resolution 9

"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 22nd AGM of the Company."



# NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

(CONT'D)

9. **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 SHARE** Ordinary Resolution 10

"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 22nd 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."

10. To transact any other business that may be transacted at the 21st 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  
27 April 2022

## 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 FY2021

Payment of Directors' Fees and Benefits under Section 230(1) of the Companies Act 2016 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 2021 had remained unchanged since financial year 2020. During a review in 2021, the Remuneration Committee recommended and the Board has approved, subject to shareholders' approval at this 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 FY2021 are set out in the Corporate Governance Statement of MYEG's annual report for the financial year ended 31 December 2021 ("**Annual Report 2021**") and Corporate Governance Report 2021.

## (C) Ordinary Resolutions 3 to 6 – Re-election of Directors

The profiles of the Directors who are standing for re-election as per Agenda items no. 4 and 5 are set out in the Board of Directors' profile of the Annual Report 2021.

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 Wong Thean Soon as Group Managing Director

Wong Thean Soon shows exemplary leadership in building businesses and creating value, he has contributed significantly to the Group by providing valuable inputs and steered the Group forward in the past years with notable achievements during his tenure as Group Managing Director of the Company.

### (ii) Ordinary Resolution 4 – Re-election of Wong Kok Chau as Independent Non-Executive Director

Wong Kok Chau fulfills the requirement of independence set out in the Main Market Listing Requirements ("MMLR") of Bursa Securities as well as the prescribed criteria under the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"). He has demonstrated his independence through his engagement in the meetings by proactively giving valuable insights to the management in developing the Group's business strategies. He also exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.

### (iii) Ordinary Resolution 5 – Re-election of Dato' Mohd Jeffrey Bin Joakim as Independent Non-Executive Director

Dato' Mohd Jeffrey Bin Joakim fulfills the requirement of independence set out in the MMLR of Bursa Securities as well as the prescribed criteria under the MCCG 2021. During the year, he has demonstrated his independence through his engagement in the meetings by proactively giving valuable insights to the management in developing the Group's business strategies. He also exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.

### (iv) Ordinary Resolution 6 – Re-election of Mohaini Binti Mohd Yusof as Independent Non-Executive Director

Mohaini Binti Mohd Yusof fulfills the requirement of independence set out in the MMLR of Bursa Securities as well as the prescribed criteria under the MCCG 2021. During the year, she has demonstrated her independence through her engagement in the meetings by rigorously challenge and ask probing questions to the management in developing the Group's business directions. She also exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Director of the Company.

## (D) Ordinary Resolution 8 - Proposed Renewal of Authority for Purchase of Own Shares by the Company

The proposed Ordinary Resolution 8 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 22nd AGM of the Company.

Please refer to the statement to shareholders in relation to the proposed renewal of authority for purchase of own shares by MYEG dated 27 April 2022 for further information.

## (E) Ordinary Resolution 9 – Proposed Authority to Allot and Issue Shares by Directors pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 9 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act.

# NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

(CONT'D)

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 22nd AGM of the Company.

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 had on 29 October 2021 issued and allotted about 2.92% of the total number of issued shares (excluding treasury shares), representing 210,000,000 ordinary shares ("**Placement Shares**") via a private placement and raised proceeds amounting to RM214,200,000 to fund the development of healthcare related services and healthcare related technology, development of automated driving test and training system and purchase of hardware, development of blockchain products and services, working capital and estimated expenses for the private placement.

The Company had subsequently on 4 April 2022 sought the approval from Bursa Securities for an extension of time of 6 months from 26 April 2022 to 25 October 2022 for the Company to complete the implementation of the share placement.

The status of utilisation from the proceeds of RM214,200,000 are set out under the Additional Compliance Information in the Annual Report 2021.

## **(F) Ordinary Resolution 10 – Proposed Renewal of Authority for Directors to Allot and Issue Shares in relation to the DRP**

The proposed Ordinary Resolution 10, 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 22nd AGM of the Company.

## **PARTICIPATION AND PROXY:**

1. The 21st 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 21st 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 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.

# NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

(CONT'D)

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 Ground Floor or 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, 21 June 2022 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, 21 June 2022 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, 15 June 2022 (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.
11. The Board wishes to highlight that the 21st AGM may be re-scheduled and/or adjourned subject to the development of the COVID-19 pandemic and the Malaysian Government’s announcements or guidelines to be issued from time to time. Rest assured, all participants including invitees shall be kept informed of any unexpected changes.

## MODE OF COMMUNICATION:

Prior to the 21st 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, 21 June 2022 and the response will be broadcasted during the virtual meeting. During the 21st AGM, shareholders may submit questions by clicking on “Ask Question” on the RPV facilities while participating the virtual meeting.

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the 21st 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 21st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 21st 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.



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# 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-First ("**21st**") 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, 23 June 2022 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 21st 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 21st 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 Final Single-Tier Dividend				
Ordinary Resolution 2	To approve the payment of Directors' fees and benefits to the Directors of the Company and its subsidiaries amounting to RM717,000 for the financial year ended 31 December 2021				
Ordinary Resolution 3	To re-elect Wong Thean Soon				
Ordinary Resolution 4	To re-elect Wong Kok Chau				
Ordinary Resolution 5	To re-elect Dato' Mohd Jeffrey Bin Joakim				
Ordinary Resolution 6	To re-elect Mohaini Binti Mohd Yusof				
Ordinary Resolution 7	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration				
	<b>Special Business</b>				
Ordinary Resolution 8	To approve the proposed renewal of authority for purchase of own shares by the Company				
Ordinary Resolution 9	To approve the proposed authority to allot and issue shares by Directors pursuant to Sections 75 and 76 of the Companies Act 2016				
Ordinary Resolution 10	To approve the proposed renewal of authority for Directors to allot and issue shares in relation to the dividend reinvestment plan				

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature / Common Seal of Shareholder



**Participation and Proxy:**

1. The 21st 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 21st 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 in 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)]

Ground Floor or 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 notarially certified copy of that power of authority shall be deposited at Ground Floor or 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, 21 June 2022 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, 21 June 2022 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, 15 June 2022 (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.
11. The Board wishes to highlight that the 21st AGM may be re-scheduled and/or adjourned subject to the development of the COVID-19 pandemic and the Malaysian Government's announcements or guidelines to be issued from time to time. Rest assured, all participants including invitees shall be kept informed of any unexpected changes.

**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 21st AGM dated 27 April 2022.



[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)