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MY E.G. SERVICES BERHAD

(505639-K)
(Incorporated in Malaysia)

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



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

SECOND QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

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

	Individual Quarter			Cumulative Quarter		
	3 Months Ended			6 Months Ended		
	30.06.2022	30.06.2021	Changes	30.06.2022	30.06.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	161,792	161,729	0.0	323,560	333,193	(2.9)
Operating Expenses	(54,693)	(67,961)	(19.5)	(119,478)	(149,919)	(20.3)
Operating Profit	107,099	93,768	14.2	204,082	183,274	11.4
Depreciation and Amortisation	(15,970)	(11,691)	36.6	(28,928)	(23,462)	23.3
Interest Income	22	930	(97.6)	225	2,266	(90.1)
Other Income	-	2	100.0	2,847	3	100.0
Share of results of a joint venture	(8)	(23)	(65.2)	79	26	203.8
Share of results of an associate	-	(454)	(100.0)	-	(845)	(100.0)
Profit Before Interest and Taxation	91,143	82,532	10.4	178,305	161,262	10.6
Interest Expense	(2,203)	(1,899)	16.0	(3,642)	(3,542)	2.8
Profit Before Taxation	88,940	80,633	10.3	174,663	157,720	10.7
Taxation	(582)	(525)	10.9	(1,112)	(1,140)	(2.5)
Profit After Taxation	88,358	80,108	10.3	173,551	156,580	10.8
Other Comprehensive Income/(Expenses)	7	-	(100.0)	5	-	(100.0)
Total Comprehensive Income for the financial period	88,365	80,108	10.3	173,556	156,580	10.8
Profit After Taxation attributable to:						
Owners of the Company	88,636	80,684	9.9	173,263	156,969	10.4
Non-controlling interest	(278)	(576)	(51.7)	288	(389)	(174.0)
	88,358	80,108	10.3	173,551	156,580	10.8
Total Comprehensive Income attributable to:						
Owners of the Company	88,643	80,684	9.9	173,268	156,969	10.4
Non-controlling interest	(278)	(576)	(51.7)	288	(389)	(174.0)
	88,365	80,108	10.3	173,556	156,580	10.8
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)						
- Basic EPS	1.2	1.1 *		2.3	2.1 *	
- Diluted EPS	Not Applicable	Not Applicable		Not Applicable	Not Applicable	

* Comparative figures for the weighted average number of ordinary shares for basic earnings per share have been restated to reflect the adjustment arising from the Bonus Issue during the financial year ended 31 December 2021.

Notes:

- i) The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying notes to the Interim Financial Statements.

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

Condensed Consolidated Statements of Financial Position
As at June 30, 2022

	Unaudited As at 30.06.2022 RM'000	Audited As at 31.12.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	462,923	300,722
Right-of-use assets	9,274	10,141
Investment properties	29,334	29,660
Investment in associates	33	16,133
Investment in joint ventures	9,334	9,255
Other investments	246,493	246,493
Development costs	241,912	322,515
Goodwill on consolidation	20,002	20,002
Financing receivables	260,642	279,316
	<u>1,279,947</u>	<u>1,234,237</u>
CURRENT ASSETS		
Inventories	24,966	18,324
Financing receivables	45,529	39,961
Trade receivables	288,490	290,775
Other receivables, deposits and prepayments	283,708	205,898
Amount owing by joint ventures	2,510	2,510
Amount owing by associates	8	28
Current tax assets	1,005	2,592
Cash and cash equivalents	223,299	89,279
	<u>869,515</u>	<u>649,367</u>
TOTAL ASSETS	<u>2,149,462</u>	<u>1,883,604</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	854,849	854,895
Treasury shares	(22,979)	(12,364)
Reserves	6,425	6,420
Retained profits	871,375	698,112
	<u>1,709,670</u>	<u>1,547,063</u>
Non-controlling interests	(5,326)	(5,614)
TOTAL EQUITY	<u>1,704,344</u>	<u>1,541,449</u>
NON-CURRENT LIABILITIES		
Long term borrowings	139,781	95,567
Long term lease liabilities	2,374	2,909
Deferred tax liabilities	2,995	2,921
	<u>145,150</u>	<u>101,397</u>
CURRENT LIABILITIES		
Trade payables	123,338	101,609
Other payables and accruals	53,886	67,900
Deferred revenue	16,944	1,544
Amount owing to an associate	24	24
Current tax liabilities	2,153	2,074
Short term borrowings	101,301	64,980
Short term lease liabilities	2,322	2,627
	<u>299,968</u>	<u>240,758</u>
TOTAL LIABILITIES	<u>445,118</u>	<u>342,155</u>
TOTAL EQUITY AND LIABILITIES	<u>2,149,462</u>	<u>1,883,604</u>
Net assets attributable to ordinary equity holders of the parent (RM'000)	1,709,670	1,547,063
Net assets per share attributable to ordinary equity holders of the parent (sen)	23.15	20.92

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

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

Condensed Consolidated Statements of Changes in Equity
For the Second Quarter ended June 30, 2022
(The figures have not been audited)

<----- Non-Distributable ----->

	Share Capital RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Foreign Exchange Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
As at 1 January 2021	634,262	(61,652)	6,401	20	570,191	1,149,222	(6,399)	1,142,823
Profit after tax for the financial period	-	-	-	-	156,969	156,969	(389)	156,580
Other comprehensive income for the financial period	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	156,969	156,969	(389)	156,580
Issuance of ordinary shares	(289)	-	-	-	-	(289)	-	(289)
Additional subscription of shares by minority interest	-	-	-	-	-	-	20	20
Purchase of treasury shares	-	(37,047)	-	-	-	(37,047)	-	(37,047)
As at 30 June 2021	633,973	(98,699)	6,401	20	727,160	1,268,855	(6,768)	1,262,087
As at 1 January 2022	854,895	(12,364)	6,401	19	698,112	1,547,063	(5,614)	1,541,449
Profit after tax for the financial period	-	-	-	-	173,263	173,263	288	173,551
Other comprehensive income for the financial period	-	-	-	5	-	5	-	5
Total comprehensive income for the financial period	-	-	-	5	173,263	173,268	288	173,556
Expenses related to issuance of ordinary shares	(46)	-	-	-	-	(46)	-	(46)
Purchase of treasury shares	-	(10,615)	-	-	-	(10,615)	-	(10,615)
As at 30 June 2022	854,849	(22,979)	6,401	24	871,375	1,709,670	(5,326)	1,704,344

Notes:

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

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

Condensed Consolidated Statements of Cash Flows for the Second Quarter ended June 30, 2022
(The figures have not been audited)

	Current Period Ended 30.06.2022 RM'000	Corresponding Period Ended 30.06.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	174,663	157,720
Adjustments for:-		
Amortisation of development costs	14,010	11,071
Depreciation of equipment	13,804	11,174
Depreciation of right of use assets	1,614	2,332
Depreciation of investment properties	326	326
Fixed assets written off	19	-
Gain on disposal of right of use assets	-	(1)
Stock written off	47	-
Gain on disposal of an associate	(2,846)	-
Interest expense	3,561	3,460
Interest expense on lease liabilities	109	113
Share of results in an associate	-	845
Share of results for joint ventures	(79)	(26)
Interest income	(225)	(2,266)
Impairment (gain) / loss on trade and financing receivables	(348)	74
Operating profit before working capital changes	204,655	184,822
Increase in deferred revenue	15,400	208
(Increase) / Decrease in inventories	(6,689)	4
Decrease / (Increase) in financing receivables	13,435	(2,419)
(Increase) / Decrease in trade and other receivables	(75,506)	4,310
(Decrease) / Increase in trade and other payables	7,715	88,709
CASH FLOWS FROM OPERATIONS	159,010	275,634
Income tax refunded / (paid)	628	(899)
Interest paid	(3,561)	(3,460)
NET CASH FROM OPERATING ACTIVITIES	156,077	271,275
CASH FLOWS FOR INVESTING ACTIVITIES		
Development costs paid	(221)	(30,160)
Interest received	225	2,266
Purchase of property and equipment	(109,233)	(59,997)
Additions of right-of-use assets	-	(169)
Proceeds from disposal of property and equipment	-	1
Investment in a joint venture	-	(936)
Investment in an associate	18,946	(4,087)
Subscription of shares in a subsidiary by non-controlling interest	-	20
NET CASH FOR INVESTING ACTIVITIES	(90,283)	(93,062)

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

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

	Current Period Ended 30.06.2022 RM'000	Corresponding Period Ended 30.06.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease / (Increase) in amount owing by associates	20	(4)
Increase in amount due to a joint venture	-	(1,996)
Purchase of treasury shares	(10,615)	(37,047)
Expenses related to issuance of ordinary shares	(46)	(289)
Drawdown of term loan	90,000	-
Repayment of term loans	(39,465)	(13,641)
Drawdown of revolving credit	30,000	-
Repayment of lease liabilities	(1,564)	(2,335)
Interest expenses on lease liabilities paid	(109)	(113)
NET CASH FROM / (FOR) FINANCING ACTIVITIES	68,221	(55,425)
NET INCREASE IN CASH AND BANK BALANCES	134,015	122,788
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	5	-
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	89,279	234,613
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	223,299	357,401

Notes:

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

Notes To The Interim Financial Report For the Financial Period ended June 30, 2022

A Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the MFRS 134 Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of My E.G. Services Bhd and its subsidiaries (“the Group”) for the financial year ended 31 December 2021.

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

During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

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

Amendments to MFRS 3: Definition of a Business

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

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

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

A1. Basis of Preparation (Cont'd)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not qualified.

A3. Seasonal and Cyclical Factors

The Group's business operation result was previously subjected to seasonality factors as the demand for new driving licences generally increases in the first half of the calendar year (i.e the First and Second Financial Quarters) due mainly to the long school holidays after the Government exams, where most 16-20 year olds would obtain their driving licences between the months of January to June. Therefore, revenue related to the "Jabatan Pengangkutan Jalan Malaysia" ("JPJ") in the first half of the calendar year (January – June) has historically been approximately 50% higher than the JPJ-related revenue recorded for the second half of the calendar year (July – December). However, the seasonal impact of JPJ test taking revenue had since diminished commencing from Financial Year ("FY") ended 30 June 2015 as revenue from other services increasingly contribute to a larger proportion of group revenue.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group during the current financial quarter under review, that are unusual by reason of their nature, size or incidence.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect on the current quarter's results.

A6. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review.

None of the MYEG shares were bought back for financial quarter ended 30 June 2022 (30 June 2021: 14,620,100).

As at 30 June 2022, a total of 23,095,400 (30 June 2021: 73,784,800) MYEG shares were retained as treasury shares in the Company. None of the treasury shares held were resold or cancelled during the financial period ended 30 June 2022.

A7. Dividends Paid

The Directors have proposed a final dividend of 1.03 sen per ordinary share (2020 – 1.7 sen) for the financial year ended 31 December 2021 of which the shareholders had approved at the 21th Annual General Meeting ("AGM") held on 23 June 2022. The entire portion of the final dividend of 1.03 sen per ordinary share will paid via a Dividend Reinvestment Scheme which will be completed by 21 September 2022.

A8. Segmental Information

The Group operates wholly in Malaysia and is principally engaged in the business of development and implementation of E-Government services project and the provision of other upstream and downstream related services for the E-Government Initiative which are substantially within a single business segment. As such, the financial information by geographical and industry segments of the Group's operations are not available for presentation.

A9. Valuation of Property, Plant and Equipment

There has been no valuation on any of the Group's property, plant and equipment during the current financial quarter under review.

A10. Subsequent Events

There were no material events subsequent to the end of the current financial quarter under review, save as disclosed below:

- i) On 18 August 2022, Agmo Holdings Berhad ("Agmo") was listed on the Ace Market of Bursa Malaysia Securities Berhad subsequent to its Initial Public Offering exercise. MY EG Capital Sdn Bhd, a sub-subsidiary of MY EG Services Berhad, currently holds 84,000,000 shares (25.8%) of Agmo's shares.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

A12. Contingent Liabilities

The Directors are of the opinion that the Group has no contingent liabilities, which, upon crystallisation would have a material impact on the financial position and business of the Group.

A13. Capital Commitments

There were no capital commitments during the current financial quarter under review.

A14. Related Party Transactions

The related party transactions of the Group for the quarter and financial period ended 30 June 2022 are as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM	RM	RM	RM
(i) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd				
- Professional Fees	62,400	62,400	124,800	124,800

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that were mutually agreed between the parties.

B Explanatory Notes Pursuant To Appendix 9B Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad

B1. Performance of the Group

The Group posted Revenue and Profit after Taxation ("PAT") of RM161.79 million and RM88.36 million respectively for the second financial quarter ("Q2 FY2022") as compared to RM161.73 million and RM80.11 million respectively in the corresponding quarter ("Q2 FY2021"). The marginal increase in Revenue of approximately RM0.06 million (or 0.04%) and the increase in PAT of approximately RM8.25 million (or 10.3%) was primarily attributable to:

- (i) the resumption of full operations of our E-Service Centers located nationwide;
- (ii) higher contribution from the foreign worker job matching service; and
- (iii) contribution from the sale of Zetrix token.

For the year-to-date period ended 30 June 2022 ("6M FY2022"), the Group recorded Revenue of RM323.56 million as compared to RM333.19 million in the corresponding period ("6M FY2021") while PAT for 6M FY2022 increased to RM173.55 million as compared to 156.58 million in the corresponding period 6M FY2021. The marginal decrease of RM9.63 million (2.9%) in Revenue was due to lower demand for the quarantine services which was offset by the following Revenue contribution resulting in the increase in PAT of RM16.97 million (10.8%):

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

B2. Comparison with Preceding Quarter's Results

	Q2 2022	Q1 2022	Changes
	RM'000	RM'000	%
Revenue	161,792	161,768	0.01
Operating Profit	107,099	96,983	10.43
Profit Before Interest and Taxation	91,143	87,162	4.57
Profit Before Taxation	88,940	85,723	3.75
Profit After Taxation	88,358	85,193	3.72
Profit attributable to Ordinary Equity Holders of the Parent	88,636	84,627	4.74

For the Quarter under review, the Group recorded a Revenue of RM161.79 million, a marginal decrease of RM0.02 million (0.01%) as compared to Q1 FY2022 Revenue of RM161.77 million. The lower Revenue in Q2 FY2022 was mainly was due to lower demand for the quarantine services which was offset by the following Revenue contribution resulting in the increase in PAT of 3.72% amounting to RM3.17 million:

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

B3. Prospect of the Group

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

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

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

B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the current financial period.

B5. Taxation

The taxation figures are as follows:

	Individual Quarter 3 months ended			Cumulative Quarter 6 months ended		
	30.06.2022	30.06.2021	Changes	30.06.2022	30.06.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation	521	525	(0.8)	1,038	1,140	(8.9)
Deferred taxation	61	-	100.0	74	-	100.0
	<u>582</u>	<u>525</u>	10.9	<u>1,112</u>	<u>1,140</u>	(2.5)

The effective tax rate for the current taxation for cumulative year to date is 0.61% as compared to the statutory tax rate of 24%. The lower effective tax rate is primarily because a significant proportion of the Group's revenue and PBT are mainly contributed by subsidiaries providing cloud computing services, software development specifically in blockchain as well as management and support services with tax incentives.

B6. Status of Corporate Proposals

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

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

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

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

As at 30 June 2022, the status of utilization of proceeds raised from the first tranche of the Private Placement I amounting to RM216.0 million are as follow:

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

B6. Status of Corporate Proposals (Cont'd)

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

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

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

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

As at 30 June 2022, the status of utilization of proceeds raised from the first tranche of the Private Placement II amounting to RM214.2 million are as follow:

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

B7. Group Borrowings

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

	As at 30.06.2022		
	Non-Current RM'000	Current RM'000	Total RM'000
<u>Secured^</u>			
Term Loan	139,781	29,601	169,382
<u>Unsecured^</u>			
Revolving Credit	-	71,700	71,700
Total Borrowings	139,781	101,301	241,082

	As at 30.06.2021		
	Non-Current RM'000	Current RM'000	Total RM'000
<u>Secured^</u>			
Term Loan	107,498	23,279	130,777
<u>Unsecured^</u>			
Revolving Credit	-	21,100	21,100
Total Borrowings	107,498	44,379	151,877

^ The borrowings are denominated in RM.

The weighted average interest rate of borrowings as at Q2 FY2022 was 4.18%.

B8. Off Balance Sheet Financial Instruments

As at the date of this report, there are no off-balance sheet financial instruments.

B9. Profit Before Taxation

Profit before taxation is arrived at after (crediting)/charging:-

	Individual Quarter 3 months ended			Cumulative Quarter 6 months ended		
	30.06.2022 RM'000	30.06.2021 RM'000	Changes %	30.06.2022 RM'000	30.06.2021 RM'000	Changes %
Interest Income	(22)	(930)	(97.6)	(225)	(2,266)	(90.1)
Other Income	-	(2)	(100.0)	(2,847)	(3)	100.0
Interest Expense	2,164	1,853	16.8	3,561	3,460	2.9
Interest Expense on Lease Liabilities	51	58	(12.1)	109	113	(3.5)
Depreciation and Amortisation	16,367	12,419	31.8	29,754	24,903	19.5
Impairment (Gain) / Loss on Trade Receivables	(216)	(152)	42.1	(348)	74	(100.0)
Fixed Assets Written Off	11	-	100.0	19	-	100.0
Loss / (Gain) on Foreign Exchange						
- Realised	119	77	54.5	262	63	100.0
- Unrealised	34	(97)	(100.0)	42	59	(28.8)

Save as disclosed above and in the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

B10. Material Litigations

As at the date of this announcement, there are no material litigations against the Group or taken by the Group.

B11. Dividends

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

B12. EPS

i. Basic

The basic EPS is computed by dividing the net profit for the financial quarter and financial period by the number of ordinary shares in issue during the period.

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Net profit attributable to ordinary shareholders	88,636	80,684	173,263	156,969
Weighted average number of ordinary shares in issue ('000s)	7,748,400	7,449,188	7,748,400	7,449,188
Basic EPS (sen)	1.1	1.1	2.2	2.1

ii. Diluted

The company does not have any convertible shares or convertible financial instruments for the current financial quarter and financial year to date.

B13. Additional Disclosure Requirement

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

MY EG Lodging Sdn. Bhd., a sub-subsiary of the Company has entered into a MOU with Johor Corporation on 3 April 2018 to explore the possibility to purchase or lease a land situated within Muar Furniture Park.

The Company had on 22 October 2018 entered into a MOU with University of Malaya to jointly promote and foster the development of academic and research projects in blockchain, as well as for the implementation of an on-campus e-wallet.

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

B13. Additional Disclosure Requirement (Cont'd)Update on Memorandum of Understanding ("MOU") pursuant to Paragraph 9.29, Chapter 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

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

There has been no material update, and no subsequent agreement has been entered arising from the MOU as at the date of this announcement.

By Order of the Board
Tan Ai Ning
Secretary
29 August 2022