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MY E.G. SERVICES BERHAD

(505639-K)
(Incorporated in Malaysia)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**



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

FOURTH QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the Fourth Quarter ended December 31, 2022**
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	3 Months Ended			12 Months Ended		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	165,006	234,421	(29.6)	651,182	724,410	(10.1)
Operating Expenses	(55,770)	(136,023)	(59.0)	(226,091)	(350,724)	(35.5)
Operating Profit	109,236	98,398	11.0	425,091	373,686	13.8
Depreciation and Amortisation	(15,058)	(12,442)	21.0	(60,272)	(47,692)	26.4
Interest Income	56	136	(58.8)	324	2,925	(88.9)
Other Income	(3)	1	100.0	2,858	4	100.0
Fair value (impairment) / gain on investment	(16,380)	-	100.0	45,505	-	100.0
Share of results of a joint venture	58	(406)	(114.3)	124	(692)	(117.9)
Share of results of an associate	-	337	(100.0)	-	(765)	(100.0)
Profit Before Interest and Taxation	77,909	86,024	(9.4)	413,630	327,466	26.3
Interest Expense	(2,693)	(1,763)	52.8	(9,239)	(6,715)	37.6
Profit Before Taxation	75,216	84,261	(10.7)	404,391	320,751	26.1
Taxation	(350)	(2,216)	(84.2)	(3,949)	(3,978)	(0.7)
Profit After Taxation	74,866	82,045	(8.8)	400,442	316,773	26.4
Other Comprehensive Income/ (Expenses)	9	1	(100.0)	14	(1)	(100.0)
Total Comprehensive Income for the financial period	74,875	82,046	(8.7)	400,456	316,772	26.4
Profit After Taxation attributable to:						
Owners of the Company	74,731	80,576	(7.3)	398,702	316,008	26.2
Non-controlling interest	135	1,469	(90.8)	1,740	765	127.5
	74,866	82,045	(8.8)	400,442	316,773	26.4
Total Comprehensive Income attributable to:						
Owners of the Company	74,740	80,577	(7.2)	398,716	316,007	26.2
Non-controlling interest	135	1,469	(90.8)	1,740	765	127.5
	74,875	82,046	(8.7)	400,456	316,772	26.4
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)						
- Basic EPS	1.0	1.1 *		5.1	4.2 *	
- Diluted EPS	Not Applicable	Not Applicable		Not Applicable	Not Applicable	

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

Notes:

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

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

Condensed Consolidated Statements of Financial Position
As at December 31, 2022

	Unaudited As at 31.12.2022 RM'000	Audited As at 31.12.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	493,599	300,722
Right-of-use assets	59,687	10,141
Investment properties	29,007	29,660
Investment in associates	33	16,133
Investment in joint ventures	9,379	9,255
Investment in quoted shares	56,280	-
Other investments	235,718	246,493
Development costs	599,129	322,515
Goodwill on consolidation	20,002	20,002
Financing receivables	243,457	279,316
	<u>1,746,291</u>	<u>1,234,237</u>
CURRENT ASSETS		
Inventories	25,809	18,324
Financing receivables	45,470	39,961
Trade receivables	334,878	290,775
Other receivables, deposits and prepayments	307,506	205,898
Amount owing by joint ventures	2,510	2,510
Amount owing by associates	32	28
Current tax assets	607	2,592
Digital assets	38	-
Cash and cash equivalents	76,378	89,279
	<u>793,228</u>	<u>649,367</u>
TOTAL ASSETS	<u>2,539,519</u>	<u>1,883,604</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	904,077	854,895
Treasury shares	(36,642)	(12,364)
Reserves	6,434	6,420
Retained profits	1,002,148	698,112
	<u>1,876,017</u>	<u>1,547,063</u>
Non-controlling interests	(3,874)	(5,614)
TOTAL EQUITY	<u>1,872,143</u>	<u>1,541,449</u>
NON-CURRENT LIABILITIES		
Long term borrowings	293,791	95,567
Long term lease liabilities	34,366	2,909
Deferred tax liabilities	2,859	2,921
	<u>331,016</u>	<u>101,397</u>
CURRENT LIABILITIES		
Trade payables	106,358	101,609
Other payables and accruals	73,379	67,900
Deferred revenue	1,439	1,544
Amount owing to an associate	22	24
Current tax liabilities	72	2,074
Short term borrowings	149,267	64,980
Short term lease liabilities	5,823	2,627
	<u>336,360</u>	<u>240,758</u>
TOTAL LIABILITIES	<u>667,376</u>	<u>342,155</u>
TOTAL EQUITY AND LIABILITIES	<u>2,539,519</u>	<u>1,883,604</u>
Net assets attributable to ordinary equity holders of the parent (RM'000)	1,876,017	1,547,063
Net assets per share attributable to ordinary equity holders of the parent (sen)	25.46	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 Fourth Quarter ended December 31, 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	-	-	-	-	316,008	316,008	765	316,773
Other comprehensive income for the financial period	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive income for the financial period	-	-	-	(1)	316,008	316,007	765	316,772
Expenses related to issuance of ordinary shares	(853)	-	-	-	-	(853)	-	(853)
Issuance of ordinary shares pursuant to Dividend Reinvestment Plan	30,327	-	-	-	-	30,327	-	30,327
Issuance of ordinary shares pursuant to Private Placement	209,359	-	-	-	-	209,359	-	209,359
Additional subscription of shares by minority interest	-	-	-	-	-	-	20	20
Purchase of treasury shares	-	(77,929)	-	-	-	(77,929)	-	(77,929)
Cancellation of treasury shares	(18,200)	127,217	-	-	(109,017)	-	-	-
Dividends paid	-	-	-	-	(79,002)	(79,002)	-	(79,002)
As at 31 December 2021	854,895	(12,364)	6,401	19	698,180	1,547,131	(5,614)	1,541,517
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	-	-	-	-	398,702	398,702	1,740	400,442
Other comprehensive income for the financial period	-	-	-	14	-	14	-	14
Total comprehensive income for the financial period	-	-	-	14	398,702	398,716	1,740	400,456
Expenses related to issuance of ordinary shares	(120)	-	-	-	-	(120)	-	(120)
Issuance of ordinary shares pursuant to Dividend Reinvestment Plan	49,302	-	-	-	-	49,302	-	49,302
Purchase of treasury shares	-	(24,278)	-	-	-	(24,278)	-	(24,278)
Dividends paid	-	-	-	-	(94,666)	(94,666)	-	(94,666)
As at 31 December 2022	904,077	(36,642)	6,401	33	1,002,148	1,876,017	(3,874)	1,872,143

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 Fourth Quarter ended December 31, 2022
(The figures have not been audited)

	Current Period Ended 31.12.2022 RM'000	Corresponding Period Ended 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	404,391	320,751
Adjustments for:-		
Amortisation of development costs	27,053	22,131
Depreciation of equipment	28,532	23,106
Depreciation of right of use assets	5,737	4,526
Depreciation of investment properties	653	653
Fixed assets written off	115	10
Loss / (Gain) on disposal of fixed assets	690	(48)
Gain on disposal of right of use assets	(11)	(1)
Asset transfer in	-	(5)
Stock written off	(90)	292
Fair value gain on investment	(45,505)	-
Gain on disposal of an associate	(2,846)	-
Interest expense	8,097	6,545
Interest expense on lease liabilities	1,195	241
Share of results in an associate	-	765
Share of results for joint ventures	(124)	692
Interest income	(324)	(2,925)
Impairment (gain) / loss on trade and financing receivables	(439)	279
	<hr/>	<hr/>
Operating profit before working capital changes	427,124	377,012
(Decrease) / Increase in deferred revenue	(105)	274
Increase in inventories	(7,395)	(15,188)
Decrease / (Increase) in financing receivables	30,773	(89,884)
Increase in trade and other receivables	(145,695)	(223,677)
Increase in trade and other payables	10,228	72,288
	<hr/>	<hr/>
CASH FLOWS FROM OPERATIONS	314,930	120,825
Income tax paid	(4,028)	(1,689)
Interest paid	(8,097)	(6,545)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	302,805	112,591
CASH FLOWS FOR INVESTING ACTIVITIES		
Development costs paid	(370,481)	(51,099)
Interest received	324	2,925
Purchase of property and equipment	(156,057)	(163,584)
Additions of right-of-use assets	(15,370)	(178)
Proceeds from disposal of property and equipment	657	128
Investment in a joint venture	-	(3,826)
Investment in an associate	-	(4,087)
Proceeds from disposal of an associate	18,946	-
Purchase of other investments	-	(108,493)
Additions of digital assets	(38)	-
Subscription of shares in a subsidiary by non-controlling interest	-	20
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(522,019)	(328,194)

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

Condensed Consolidated Statements of Cash Flows for the Fourth Quarter ended December 31, 2022
(The figures have not been audited) (Cont'd)

	Current Period Ended 31.12.2022 RM'000	Corresponding Period Ended 31.12.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(94,666)	(79,002)
Increase in amount owing by associates	(6)	(32)
Decrease in amount due to a joint venture	-	(1,996)
Purchase of treasury shares	(24,278)	(77,929)
Proceeds from Dividend Reinvestment Plan	49,302	30,327
Proceeds from Private Placement	-	209,359
Expenses related to issuance of ordinary shares	(120)	(853)
Drawdown of term loan	106,320	-
Repayment of term loans	(53,809)	(25,571)
Drawdown of revolving credit	80,000	20,600
Drawdown of SUKUK	150,000	-
Repayment of lease liabilities	(5,249)	(4,449)
Interest expenses on lease liabilities paid	(1,195)	(241)
NET CASH FROM FINANCING ACTIVITIES	206,299	70,213
NET DECREASE IN CASH AND BANK BALANCES	(12,915)	(145,390)
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	14	(1)
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	89,279	234,613
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	76,378	89,222

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 Year ended December 31, 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 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)

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, saved for the share buy-backs disclosed below which the total considerations were financed from internally generated funds and the treasury shares were treated in accordance with the requirement of Section 127 of the Companies Act 2016:

Date of buy back	No of shares purchase (units)	Total (RM)
07.10.2022	1,000,000	914,003
11.10.2022	2,000,000	1,786,874
13.10.2022	1,000,000	853,805
14.10.2022	1,000,000	833,739

The total shares purchased during the financial quarter ended 31 December 2022 amounted to 5,000,000 (31 December 2021: 12,000,000) MYEG shares.

As at 31 December 2022, a total of 39,595,400 (31 December 2021: 12,000,000) MYEG shares were retained as treasury shares in the Company. None of the treasury shares held were resold or cancelled during the financial year ended 31 December 2022.

A7. Dividends Paid

The Directors proposed a final dividend of 1.03 sen per ordinary share (2020 – 1.7 sen based on the share capital of 3,671,929,737 ordinary shares) for the financial year ended 31 December 2021 of which the shareholders had approved at the 21st Annual General Meeting (“AGM”) held on 23 June 2022.

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

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

A8. Segmental Information

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

A9. Valuation of Property, Plant and Equipment

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

A10. Subsequent Events

There were no material events subsequent to the end of the current financial quarter under review.

A11. Changes in the Composition of the Group

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

A12. Contingent Liabilities

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

A13. Capital Commitments

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

A14. Related Party Transactions

The related party transactions of the Group for the quarter and financial year ended 31 December 2022 are as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM	RM	RM	RM
(i) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd				
- Professional Fees	62,400	62,400	249,600	249,600

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 RM165.01 million and RM74.87 million respectively for the fourth financial quarter (“Q4 FY2022”) as compared to RM234.42 million and RM82.05 million respectively in the corresponding quarter (“Q4 FY2021”). The decrease in Revenue of approximately RM69.41 million (or 29.61%) and the decrease in PAT of approximately RM7.18 million (or 8.75%) was primarily attributable to:

- (i) cessation of revenue contribution from COVID-19 health screening and quarantine in Q4 FY2022 as the Government had lifted health screening and quarantine requirements as compared to Q4 FY2021 when Government closed down its quarantine centers and allowed private quarantine arrangements to be made; and
- (ii) impairment in our investment in Agmo Holdings Berhad as a result of mark-to-market practice.

However, operating PAT (excluding the impairment loss) amounted to RM91.25 million as compared to RM82.05 million. The increase in operating PAT of approximately RM9.20 million (or 11.21%) 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 tokens.

For the financial year ended 31 December 2022 (“12M FY2022”), the Group recorded Revenue of RM651.18 million as compared to RM724.41 million in the corresponding period (“12M FY2021”). The decrease of RM73.23 million (10.11%) in Revenue was due to lower demand for the quarantine services which was offset by the increase in the following Revenue contribution:

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

PAT for 12M FY2022 increased to RM400.44 million as compared to 316.77 million in the corresponding period 12M FY2021. The increase of RM83.67 million (26.41%) in PAT was primarily due to:

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

B2. Comparison with Preceding Quarter’s Results

	Q4 2022	Q3 2022	Changes
	RM’000	RM’000	%
Revenue	165,006	162,616	1.47
Operating Profit	109,236	111,773	(2.27)
Profit Before Interest and Taxation	77,909	157,416	(50.51)
Profit Before Taxation	75,216	154,512	(51.32)
Profit After Taxation	74,866	152,025	(50.75)
Profit attributable to Ordinary Equity Holders of the Parent	74,731	150,708	(50.41)

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

For the Quarter under review, the Group recorded a Revenue of RM165.01 million, a marginal increase of RM2.39 million (1.47%) as compared to Q3 FY2022 Revenue of RM162.62 million. However, the Group's PAT of RM74.87 million achieved in Q4 FY2022 which represent a decrease of RM77.16 million (50.75%) as compared to Q3 FY2022 PAT of RM152.03 million was primarily due to the impairment in our investment in Agmo Holdings Berhad as a result of mark-to-market practice.

However, operating PAT (excluding the impairment loss) amounted to RM91.25 million as compared to RM90.14 million (excluding the fair value gain) in Q3 FY2022. The marginal increase in operating PAT of approximately RM1.11 million (or 1.23%) was primarily attributable to an overall increase in Revenue from our existing concession and commercial services.

B3. Prospect of the Group

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

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

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

B4. Variance from Profit Forecast

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

B5. Taxation

The taxation figures are as follows:

	Individual Quarter 3 months ended			Cumulative Quarter 12 months ended		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation	551	1,772	(68.9)	4,011	3,430	16.9
Deferred taxation	(201)	444	(145.3)	(62)	548	(111.3)
	<u>350</u>	<u>2,216</u>	<u>(84.2)</u>	<u>3,949</u>	<u>3,978</u>	<u>(0.7)</u>

The effective tax rate for the current taxation for cumulative year to date is 0.98% 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 31 December 2022, the status of utilization of proceeds raised from the first tranche of the Private Placement I amounting to RM216.0 million are as follow:

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

B7. Group Borrowings

Details of the Group's borrowings as at December 31, 2022 were as follow:-

	As at 31.12.2022		
	Non-Current	Current	Total
	RM'000	RM'000	RM'000
<u>Secured^</u>			
Term Loan	143,791	27,567	171,358
Islamic Medium Term Notes	150,000	-	150,000
<u>Unsecured^</u>			
Revolving Credit	-	121,700	121,700
Total Borrowings	293,791	149,267	443,058

	As at 31.12.2021		
	Non-Current	Current	Total
	RM'000	RM'000	RM'000
<u>Secured^</u>			
Term Loan	95,567	23,280	118,847
<u>Unsecured^</u>			
Revolving Credit	-	41,700	41,700
Total Borrowings	95,567	64,980	160,547

The weighted average interest rate of borrowings as at Q4 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 12 months ended		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Interest Income	(56)	(136)	(58.8)	(324)	(2,925)	(88.9)
Other Income	3	(1)	(100.0)	(2,858)	(4)	100.0
Interest Expense	2,080	1,721	20.9	8,097	6,545	23.7
Interest Expense on Lease Liabilities	630	70	100.0	1,195	241	100.0
Depreciation and Amortisation	15,607	13,152	18.7	61,975	50,416	22.9
Impairment (Gain) / Loss on Trade Receivables	(32)	234	(100.0)	(439)	279	(100.0)
Fixed Assets Written Off	92	9	100.0	115	10	100.0
Loss / (Gain) on Foreign Exchange						
- Realised	41	3	100.0	383	75	100.0
- Unrealised	(219)	9	(100.0)	(92)	39	(100.0)

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

B10. Material Litigations

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

B11. Dividends

The Directors have proposed the declaration of a final dividend of 1.17 sen per ordinary share (2021 – 1.03 sen) for the shareholders' approval at the forthcoming Annual General Meeting, the date of which will be announced later.

B12. EPS

i. Basic

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

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Net profit attributable to ordinary shareholders	74,731	80,576	398,702	316,008
Weighted average number of ordinary shares in issue ('000s)	7,742,571	7,449,466	7,742,571	7,449,466
Basic EPS (sen)	1.0	1.1	5.1	4.2

ii. Diluted

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

B13. Additional Disclosure Requirement

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

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

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

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

By Order of the Board
Tan Ai Ning
Secretary
27 February 2023