9.1 Proforma Consolidated Financial Information

(Prepared for inclusion in this Prospectus)

For Identification Purposes Only
Horwath
AF 1018

MY E.G. SERVICES BERHAD AND ITS SUBSIDIARIES ("MYEG GROUP")

PROFORMA CONSOLIDATED FINANCIAL INFORMATION

1. PROFORMA GROUP AND BASIS OF PREPARATION

1.1 Proforma Group

The proforma consolidated financial information of MYEG Group, comprising the financial information of MYEG, Gale Vector Sdn Bhd ("GVSB") and PDX.net Sdn Bhd ("PNSB"), are presented for the purpose of illustration only.

The relevant financial period for the purpose of this report ("Relevant Financial Period") is as follows: -

Company	Relevant Financial Period
MYEG	- Financial year ended 30 June 2006 ("FY2006")
	- Financial year ended 30 June 2005 ("FY2005")
	- Financial year ended 30 June 2004 ("FY2004")
GVSB	- Financial year ended 30 June 2006
	- Financial year ended 30 June 2005
	- Financial period from 1 November 2003 to 30 June 2004
PNSB	- Financial year ended 30 June 2006
	- Financial period from 1 January 2005 to 30 June 2005
	- Financial year ended 31 December 2004

The proforma consolidated financial information comprises the following:-

Section 2 - Proforma Consolidated Income Statements for the Relevant Financial Period;

Section 3 - Proforma Consolidated Balance Sheets as at 30 June 2006; and

Section 4 - Proforma Consolidated Cash Flow Statement for the FY2006.

MYEG GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.2 Listing Scheme

In conjunction with and as an integral part of the listing of MYEG on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), MYEG will undertake the following transactions which have been approved by the relevant authorities: -

(i) public issue of 25,500,000 new ordinary shares of RM0.10 each in MYEG ("MYEG Share") to the public, selected investors, eligible directors and employees of MYEG at an issue price of RM0.55 per MYEG Share ("Public Issue"); and

(ii) listing of and quotation for the entire enlarged issued and paid-up share capital of MYEG comprising 126,250,000 MYEG Shares on the MESDAQ Market of Bursa Securities.

1.3 Basis of Preparation

The proforma consolidated financial information is prepared based on the audited financial statements of MYEG, GVSB and PNSB.

The proforma consolidated financial information have been prepared in accordance with applicable approved accounting standards in Malaysia consistent with those adopted in the preparation of the audited financial statements of MYEG Group for the financial year ended 30 June 2006, and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

The financial year ends of GVSB and PNSB are different from MYEG, and the results of GVSB and PNSB have been time-apportioned for the preparation of the Proforma Consolidated Income Statement.

The Proforma Consolidated Income Statements for the Relevant Financial Period and the Proforma Consolidated Cash Flow Statement for the FY2006 have been prepared:

(i) on the assumption that MYEG Group had been in existence throughout Relevant Financial Period; and

(ii) based on the audited financial statements of MYEG, GVSB and PNSB for the Relevant Financial Period.

MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

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1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.3 Basis of Preparation (Cont'd)

The Proforma Consolidated Balance Sheets together with the accompanying notes thereto, have been prepared:

(i) solely for illustrative purposes, to illustrate the effects of the listing scheme and the utilisation of the proceeds as if these transactions had been completed as at 30 June 2006; and

(ii) based on the audited consolidated financial statements of MYEG Group at 30 June 2006.

MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

2. **PROFORMA CONSOLIDATED INCOME STATEMENTS FOR THE RELEVANT FINANCIAL PERIOD**

	FY2006 RM'000	FY2005 RM'000	FY2004 RM'000
Revenue	19,263	12,080	10,066
Cost of sales	(13,175)	(7,619)	(6,388)
Gross profit ("GP")	6,088	4,461	3,678
Administrative expenses	(1,369)	(1,293)	(923)
Other operating expenses	(553)	(600)	(544)
Profit from operations	4,166	2,568	2,211
Finance costs	(48)	(28)	(46)
Profit before taxation ("PBT")	4,118	2,540	2,165
Depreciation	302	400	370
Amortisation	252	191	173
Interest expense	40	22	41
Earnings before interest, tax, depreciation and amortisation	4,712	3,153	2,749
Depreciation	(302)	(400)	(370)
Amortisation	(252)	(191)	(173)
Interest expense	(40)	(22)	(41)
PBT	4,118	2,540	2,165
Taxation	(42)	(17)	(1)
Profit after taxation ("PAT")	4,076	2,523	2,164
Minority interest ("MI")	(57)	(14)	-
Profit attributable to shareholders	4,019	2,509	2,164

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MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

2. PROFORMA CONSOLIDATED INCOME STATEMENTS FOR THE RELEVANT FINANCIAL PERIOD (CONT'D)

	FY2006 RM'000	FY2005 RM'000	FY2004 RM'000
GP margin (%)	31.6	36.9	36.5
PBT margin (%)	21.4	21.0	21.5
PAT after MI margin (%)	20.9	20.8	21.5
Effective tax rate (%)	1.0	0.7	#
Interest coverage (times)	104.0	116.5	53.8
Assumed weighted average number of ordinary shares of RM0.10 each in issue ('000)	100,750	98,396	70,631
Gross earnings per share ("EPS") (sen)	4.0	2.6	3.1
Net EPS (sen)	4.0	2.5	3.1
Net dividend rate (%)	-	-	-

Note:
- *Negligible, less than 0.05*

2.1 The assumed weighted average number of ordinary shares in issue were computed retrospectively for the Relevant Financial Period before the Public Issue.

2.2 The proforma gross EPS is calculated by dividing the PBT net of MI by the assumed weighted average number of ordinary shares in issue after adjusting retrospectively for the sub-division of shares for the Relevant Financial Period.

2.3 The proforma net EPS is calculated by dividing the PAT net of MI by the assumed weighted average number of ordinary shares in issue after adjusting retrospectively for the sub-division of shares for the Relevant Financial Period.

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MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2006

	Note	Audited At 30.6.2006 RM'000	Proforma I After Public Issue RM'000
NON-CURRENT ASSETS			
Development costs	3.2	4,601	4,601
Equipment	3.3	3,946	14,787
Goodwill on consolidation	3.4	2,600	2,600
		11,147	21,988
CURRENT ASSETS			
Trade receivables	3.5	1,199	1,199
Other receivables and deposits	3.6	4,454	4,454
Cash and bank balances	3.7	2,277	3,661
		7,930	9,314
CURRENT LIABILITIES			
Trade payables	3.8	547	547
Other payables and accruals		1,225	1,225
Amount owing to a director	3.9	9	9
Provision for taxation		39	39
Term loan	3.10	33	33
		1,853	1,853
NET CURRENT ASSETS		6,077	7,461
		17,224	29,449
FINANCED BY:-			
Share capital	3.11	10,075	12,625
Share premium	3.12	-	9,675
Retained profits	3.13	7,070	7,070
SHAREHOLDERS' EQUITY		17,145	29,370
MINORITY INTERESTS		66	66
NON-CURRENT LIABILITY			
Deferred taxation	3.14	13	13
		17,224	29,449
Number of ordinary shares of RM0.10 each in issue ('000)		100,750	126,250
Net assets ("NA") (RM'000)		17,211	29,436
NA per ordinary share in issue (sen)		17.1	23.3
Net tangible assets ("NTA") (RM'000)		10,010	22,235
NTA per ordinary share in issue (sen)		9.9	17.6

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MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2006 (CONT'D)

3.1 Proforma I

Proforma I illustrates the effects of the Public Issue and the utilisation of the proceeds from the Public Issue as if these transactions had been completed as at 30 June 2006.

Utilisation of proceeds from the Public Issue is as follows:

	RM'000
Capital expenditure	10,841
Working capital	1,384
Estimated listing expenses	1,800
	14,025

The estimated listing expenses have been debited against the share premium arising from the Public issue.

Working capital has been included in cash and bank balances.

3.2 Development Costs

	RM'000
At cost	5,336
Accumulated amortisation	(735)
	4,601

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MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2006 (CONT'D)

3.3 Equipment

	Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
Motor vehicles	2	(1)	1
Office and communication equipment	174	(90)	84
Office furniture and renovation	864	(272)	592
Computers	4,310	(1,046)	3,264
Software	58	(53)	5
Balance as at 30 June 2006	5,408	(1,462)	3,946
Additions from utilisation of proceeds from the Public Issue	10,841	-	10,841
Per Proforma I	16,249	(1,462)	14,787

3.4 Goodwill On Consolidation

Goodwill on consolidation arose from the acquisition of GVSB and PNSB.

3.5 Trade Receivables

	RM'000
Trade receivables	1,207
Allowance for doubtful debts	(8)
	1,199

The Group's normal credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2006 (CONT'D)

3.6 Other Receivables, Deposits and Prepayments

Included in other receivables, deposits and prepayments are the following items:

	RM'000
Advanced payments for the purchase of equipment	2,154
Performance bond to a gateway provider	1,453

3.7 Cash And Bank Balances

	RM'000
Balance at 30.6.2006	2,277
Proceeds from the Public Issue	14,025
	16,302
Utilisation of proceeds from the Public Issue:	
- capital expenditure	10,841
- listing expenses	1,800
	12,641
Per Proforma I	3,661

3.8 Trade Payables

The normal trade credit term granted to the Group is 30 days.

3.9 Amount Owing To A Director

The amount owing is unsecured, interest free and has no fixed terms of repayments.

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MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2006 (CONT'D)

3.10 Term Loan

Details of the repayment terms are as follows:

	Number of Monthly Instalments	Monthly Instalment RM'000	Date of Commencement of Repayment
Term loan	48	3	July 2003

The term loan is secured by the joint and several guarantees of a director and a third party.

The effective interest rate of the term loan at the balance sheet date was 8.5% per annum.

3.11 Share Capital

	Number Of Shares ('000)	RM'000
Ordinary Shares Of RM0.10 Each:		
Authorised	250,000	25,000
Issued And Fully Paid-Up: -		
Balance as at 30 June 2006	100,750	10,075
Public Issue	25,500	2,550
Per Proforma I	126,250	12,625

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MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2006 (CONT'D)

3.12 Share Premium

	RM'000
Balance as at 30 June 2006	-
Premium arising from the Public Issue	11,475
Estimated listing expenses	(1,800)
Per Proforma I	9,675

3.13 Retained Profits

The Company does not have any tax credit under Section 108 of the Income Tax Act, 1967 or tax-exempt income to frank the payment of dividends out of its retained profits without incurring tax liabilities. The retained profits, if distributed as dividends, will incur additional tax payments.

3.14 Deferred Taxation

	RM'000
Balance as at 1 July 2005	-
Recognised in Income Statement	13
Balance as at 30 June 2006	13

The deferred taxation relates to the accelerated capital allowances.

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MYEG GROUP (CONT'D)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

4. PROFORMA CONSOLIDATED CASH FLOW STATEMENT FOR THE FY2006

	RM'000
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxation	4,118
Adjustments for: -	
Amortisation of development costs	252
Depreciation of equipment	302
Interest expense	40
Operating profit before working capital changes	4,712
Increase in trade and other receivables	(2,347)
Decrease in trade and other payables	(27)
CASH FLOW FROM OPERATIONS	2,338
Income tax paid	(13)
Interest paid	(40)
CASH FLOW FROM OPERATING ACTIVITIES	2,285
CASH FLOW FOR INVESTING ACTIVITIES	
Additions of development costs	(650)
Purchase of equipment	(221)
NET CASH FOR INVESTING ACTIVITIES	(871)
CASH FLOW FOR FINANCING ACTIVITIES	
Repayment to a director	(24)
Repayment from a shareholder	3
Repayment of hire purchase obligations	(32)
Repayment of term loans	(67)
Repayment to a related party	(4)
NET CASH FOR FINANCING ACTIVITIES	(124)
NET INCREASE IN CASH AND BANK BALANCES	1,290
CASH AND BANK BALANCES AT BEGINNING OF YEAR	987
CASH AND BANK BALANCES AT END OF YEAR	2,277

The consolidated cash flow statement of MYEG Group has been prepared based on the audited financial statement of MYEG Group for the financial year ended 30 June 2006 and before taking into account the proceeds from the Public Issue and the utilisation of proceeds.

9.2 Reporting Accountants' Letter on the Proforma Consolidated Financial Information

(Prepared for inclusion in this Prospectus)

Horwath

Horwath AF No 1018
Kuala Lumpur Office
Chartered Accountants

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6 November 2006

The Board of Directors
My E.G. Services Berhad
C15-1 Level 15 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

Dear Sirs

MY E.G. SERVICES BERHAD ("MYEG")
PROFORMA CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2004 TO 2006

We have reviewed the proforma consolidated financial information of MYEG and its subsidiaries ("MYEG Group") for the three financial years ended 30 June 2004 to 2006, together with the accompanying notes thereto, for which the directors are solely responsible, as set out in the accompanying statements (initialled by us for the purpose of identification only) prepared for illustrative purposes for inclusion in the Prospectus of MYEG to be dated on 30 November 2006.

In our opinion,

(a) the proforma consolidated financial information has been properly prepared on the bases set out in the accompanying notes to the proforma financial information and such bases are consistent with the accounting policies of MYEG Group;

(b) the financial statements used in the preparation of the proforma consolidated financial information were prepared in accordance with applicable accounting standards in Malaysia; and

(c) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing such proforma consolidated financial information.

Yours faithfully

Horwath
Firm No.: AF 1018
Chartered Accountants

Lee Kok Wai
Approval No.: 2760/06/08 (J)
Partner

9.3 Operating and Financial Review

The following is a segmental analysis of our revenue for the past three (3) FYE 30 June 2004 to 30 June 2006 and should be read in conjunction with the proforma consolidated income statements as set out in Section 9.1 of this Prospectus:

	<------FYE 30 June------>		
Segmental Reporting (by company)	**2004 RM'000**	**2005 RM'000**	**2006 RM'000**
Revenue			
- MYEG	9,706	11,294	18,199
- GVSB	360	720	720
- PNSB	-	256	629
	10,066	12,270	19,548
Elimination of inter-company transactions	-	190	285
	10,066	12,080	19,263
(Loss after taxation)/PAT after MI			
- MYEG	2,155	2,451	3,918
- GVSB	10	40	32
- PNSB	(1)	18	69
	2,164	2,509	4,019

The past performance of our Group was mainly driven by MYEG, as GVSB and PNSB only began contributing to our Group's revenue from FYE 2004 and FYE 2005 onwards, respectively. Over the financial years under review, our Group has maintained an upward trend in revenue.

Group revenue for FYE 2003 was mainly derived from our G2C and GES services. We recorded a consolidated loss before taxation due to the increase in operating overheads and finance costs as a result of the expansion of services and the launch of seven (7) additional E-Service Centres in FYE 2003 which were not compensated by the proportionate increase in revenue.

Group revenue for FYE 2004 increased by 221.5% mainly because of higher traffic volume contributed by our existing E-Service Centres, coupled with the addition of another seven (7) new E-Service Centres in Peninsular Malaysia, providing us with better market access and coverage nationwide. This translated to further increases in both G2C and GES transactions and revenues. In addition, the increase in sales of the enterprise solutions also boosted the revenue for FYE 2004. We achieved consolidated PAT of approximately RM2,164,000 due to the significant improvement in gross margin on the back of higher sales volume.

Group revenue for FYE 2005 was approximately 20.0% higher as compared to FYE 2004. The increase was mainly attributable to higher revenue from G2C and GES services by 109.7% and 25.8% respectively. Meanwhile, sales from enterprise solutions decreased by 63.4%, as we focused on the growth of our G2C and GES services, as well as the development of our range of services. With stable gross margins being maintained, the increase in consolidated revenue has resulted in the increase in consolidated PAT by approximately 15.9% compared to FYE 2004.

Group revenue for FYE 2006 increased by 59.5% as compared to FYE 2005 revenue. The improved performance was attributed to higher revenue generated from G2C and GES services which increased by 165.1% and 12.6% respectively as a result of higher sales volume from the launched of a new service under JIM as well as from existing services. This brought about a proportionate increase in the Group's PAT by 60.2% as operating costs have also increased proportionately during the year.

MYEG has been granted the MSC status and enjoys pioneer status under the Promotion of Investments Act, 1986, for which 100% of its statutory income from pioneer activities is tax exempt for a period of 5 years from 18 July 2001 to 17 July 2006. We have submitted an application to the MDEC in May 2006 for an extension of another five (5) years until 17 July 2011 for us to continue enjoying the said tax incentives and are currently awaiting the MDEC's approval on the application. Our Directors do not foresee that the extension will not be granted.

There were no extraordinary or exceptional items during the relevant financial periods/years under review.

9.4 Trend Information

Our Group has been growing since our start-up in 2000 with the establishment of various E-Service Centres across the country together with the wider reach of our Group's G2C and GES services. Our growth was especially significant during the years 2003 to 2006, mainly attributable to the increase in internet-based G2C services such as the registrations/bookings of the driving theory test and the increase in the volume of non-internet based GES transactions from our JPJ-related services with the expansion of our E-Service Centres and the introduction of new services.

Our JPJ-related revenue is subject to seasonality. The demand for new driving licences generally increases in the first half of the year due mainly to the long school holidays after the Government exams. Most new drivers would obtain their driving licence between the months of January to June. As such, our JPJ-related revenue in the first half of the year (January – June) has historically been approximately 50% higher than the JPJ-related revenue recorded for the second half of the year (July – December). Nevertheless, our Group is endeavouring to mitigate the revenue fluctuation by diversifying our product offerings with the launch of other services, such as those under PDRM, JIM, TNB and TELEKOM, whereby revenue contribution from these agencies is not materially affected by seasonality.

Due to the nature of our Group's business which provides online transaction services, it is not possible to maintain an order book since the Internet is available globally and our users are able to access our E-Services portal anywhere and anytime. With the growing role of technology and the public and business community's confidence on the greater efficiencies and conveniences afforded by E-Government applications, coupled with our ongoing nationwide expansion of E-Service Centres and kiosks which will result in higher accessibility of our Group's services, our Directors anticipate the volume of transactions via our E-Services portal to increase accordingly.

9.5 Liquidity and Capital Resources

Our Group's main sources of liquidity mostly consists of cash in hand, bank balances, demand deposits, deposits pledged with financial institutions 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.

Our Group's cash flows are mostly generated from operating activities derived from our G2C and GES services. Our Group has approximately RM0.46 million in outstanding borrowings comprising term loan and leasing facility as at the LPD. There have been no defaults on payments of either interest and/or principal sums in respect of any borrowings throughout the past financial year and the subsequent financial period thereof, up to the LPD. Our gearing ratio as at the LPD is 0.03 times.

The following table is a condensed summary of our proforma consolidated cash flow statement for the FYE 30 June 2006, which should be read in conjunction with Section 9.1 of this Prospectus:

	RM'000
Net cash generated from operating activities	2,285
Net cash used in investing activities	(871)
Net cash used in financing activities	(124)
Net increase in cash and bank balances	1,290
Cash and bank balances at beginning of year	987
Cash and bank balances at end of year	2,277

Net cash used in investing activities in 2006 was mainly utilised on capital expenditure for the acquisition of kiosk hardware, computers, servers and network hardware amounting to approximately RM0.2 million, and expenditure on portal development of approximately RM0.7 million.

Our Group also recorded cash outflows of approximately RM0.1 million due to partial repayment of term loan and full repayment of hire purchase payables.

Based on the above, our Group recorded a net increase in cash and bank balances of approximately RM1.3 million to RM2.3 million for the FYE 2006.

9.6 Factors Affecting Financial Performance, Position and Operations of our Group

Save as disclosed in Section 3, Sections 9.3 to 9.5 and Section 9.7 of this Prospectus, the financial performance, position and operations of our Group are not materially affected by any of the following:

(i) known trends, demands, commitments, events or uncertainties that have had, will result in or are reasonably likely to have a material favourable or unfavourable impact on our financial performance, position and operations;

(ii) material commitments for capital expenditure;

(iii) unusual or infrequent events or transactions or any significant economic changes that materially affected our financial performance, position and operations;

(iv) substantial increase in revenue attributed to prices, volume or the introduction of new products and/or services; and

(v) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical statements not indicative of future financial performance and position.

9.7 Working Capital, Borrowings, Material Litigation, Contingent Liabilities and Material Capital Commitments

(i) Working Capital

Our Directors are of the opinion that after taking into account the cash flow position of our Group including the net proceeds from the Public Issue and the banking facilities available, our Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus to meet our present and foreseeable requirements.

(ii) Borrowings

As at the LPD, our Group has approximately RM0.46 million in outstanding borrowings comprising term loan and leasing facility, all of which are interest bearing, as follows:

	Payable within 12 months RM	**Payable after 12 months RM**	**Total RM**
Term loan	27,151	-	27,151
Leasing facility	157,644	275,877	433,521
	184,795	275,877	460,672

Our Board is of the opinion that, there are no unusual or onerous covenants in nature imposed under the borrowing facilities against us.

Save as disclosed above, we do not have any other loan capital outstanding or created but unissued, mortgages or charges outstanding, convertible debt outstanding, guarantees or other borrowings on that date.

In September 2003, we were served with a notice of demand for arrears amounting to RM50,968, being interest and principal amount due, pursuant to a term loan for RM500,000 granted by AmFinance Berhad. We took prompt action and negotiated with AmFinance Berhad to restructure the repayment schedule. We paid RM10,700 in March 2004 and continued with a RM15,000 monthly payment (RM4,300 being payment for arrears while the remaining RM10,700 being monthly term payment) pursuant to the repayment schedule agreed by AmFinance Berhad. The loan was subsequently regularised in December 2004 and fully settled on 12 January 2006.

Save as disclosed above, there has been no default on payments of either interest and/or principal sums in respect of any other borrowings throughout the FYE 30 June 2006 and the subsequent financial period thereof, up to the LPD.

(iii) Material Litigation

As at the LPD, neither our Company nor our subsidiaries is engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on our Group's financial position. Our Directors have no knowledge of any proceedings pending or threatened against our Company and our subsidiaries or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Company and our subsidiaries.

(iv) Contingent Liabilities

As at the LPD, our Directors do not know of any contingent liabilities, which upon becoming enforceable, may have a material impact on the profit or net assets value of our Group.

(v) Material Capital Commitments

Save as disclosed below, as at the LPD, our Group has not approved and/or contracted any capital commitments, which upon becoming enforceable, may have a material impact on the profit and net assets value of the Group:

	RM
Purchase of 15 units of multi-purpose kiosks	359,200
Purchase of 8 units of motor vehicles for operations	352,000
	711,200

The purchase of the multi-purpose kiosks will be funded by proceeds from the Public Issue whilst the purchase of motor vehicles for operations use will be funded by internally generated funds.

9.8 Consolidated Profit Forecast

Our Directors forecast that, barring unforeseen circumstances, the consolidated PBT and net profit of our Group for the FYE 30 June 2007 will be as follows:

	RM'000
Revenue	22,963
Consolidated PBT	7,883
Less: Taxation	423
	7,460
Less: MI	449
Consolidated PAT after MI attributable to our shareholders	7,011
Weighted average number of shares in issue* ('000)	112,347
Basic EPS # (computed based on PAT after MI) (sen)	
- Based on the weighted average number of shares in issue	6.2
- Based on the enlarged share capital	5.6
Net PE Multiple based on the issue price of 55 sen per Share (times)	
- Based on the weighted average number of shares in issue	8.8
- Based on the enlarged share capital	9.8

Notes:

* *Calculated based on the assumption that the Public Issue is completed in mid January 2007.*

\# *Fully diluted EPS has not been presented as our Group has no dilutive potential ordinary shares.*

9.9 Reporting Accountants' Letter on the Consolidated Profit Forecast

(Prepared for the inclusion in this Prospectus)

Horwath

Horwath *AF No 1018*
Kuala Lumpur Office
Chartered Accountants

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6 November 2006

The Board of Directors
My E.G. Services Berhad
C15-1 Level 15 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

Dear Sirs

MY E.G. SERVICES BERHAD ("MYEG")
CONSOLIDATED PROFIT FORECAST
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2007

We have reviewed the consolidated profit forecast of MYEG and its subsidiaries ("MYEG Group") for the financial year ending 30 June 2007, as set out in the accompanying statements (which we have initialled for the purpose of identification) in accordance with International Standard on Assurance Engagement 3400 - The Examination of Prospective Financial Information, applicable to the review of forecasts. The forecast has been prepared solely for inclusion in the Prospectus to be dated 30 November 2006 in connection with the flotation exercise of MYEG on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied on for any other purposes.

The flotation exercise of MYEG involves the following: -

(a) public issue of 25,500,000 new ordinary shares of RM0.10 each in MYEG ("MYEG Shares") to the public, selected investors, eligible directors and employees of MYEG at an issue price of RM0.55 per MYEG Share ("Public Issue"); and

(b) the listing of and quotation for the entire enlarged issued and paid-up share capital of MYEG comprising 126,250,000 MYEG Shares on the MESDAQ Market.

Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, is properly prepared on the basis of the assumptions made by the directors and is presented on a basis consistent with the accounting policies adopted and disclosed by MYEG Group in its audited financial statements for the financial year ended 30 June 2006. The directors of MYEG Group are solely responsible for the preparation and presentation of the forecast and the assumptions on which the forecast is based.

Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

Horwath

Subject to the matters stated in the preceding paragraphs: -

(i) nothing has come to our attention which causes us to believe that the assumptions made by the directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the consolidated profit forecast; and

(ii) in our opinion, the consolidated profit forecast, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the directors as set out in the accompanying statements and are presented on a basis consistent with the accounting policies adopted and disclosed by MYEG Group in its audited financial statements for the financial year ended 30 June 2006.

Yours faithfully

Horwath
Firm No.: AF 1018
Chartered Accountants

Lee Kok Wai
Approval No.: 2760/06/08 (J)
Partner

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AF 1018

MY E.G. SERVICES BERHAD ("MYEG")

A. Consolidated Profit Forecast For The Financial Year Ending 30 June 2007

The Directors of MYEG forecast that, barring unforeseen circumstances and on the bases and assumptions set out below, the consolidated profit after taxation of the MYEG Group for the financial year ending 30 June 2007 ("FY2007") after incorporating the effects of the listing scheme will be as follows:-

	Consolidated Profit Forecast FY2007 RM'000
Revenue	22,963
Gross Profit ("GP")	11,999
Consolidated profit before taxation ("PBT")	7,883
Less: Taxation	(423)
Consolidated profit after taxation	7,460
Minority interest ("MI")	(449)
Consolidated profit after taxation and minority interest	7,011
GP Margin (%)	52.3
PBT Margin (%)	34.3
PBT after MI (RM'000)	7,259
Number of ordinary shares of RM0.10 each in issue ('000)^	112,347
Gross earnings per share (sen) [1]	6.5
Net earnings per share (sen) [2]	6.2
Gross PE Multiple (times) [3]	8.5
Net PE Multiple (times) [4]	8.8

Notes:-

^ - *weighted average number of ordinary shares in issue assuming the Public Issue will be completed on 16 January 2007.*

1 - *Computed by dividing the consolidated profit before taxation net of MI by the weighted average number of ordinary shares in issue.*

2 *Computed by dividing the consolidated profit after taxation net of MI by the weighted average number of ordinary shares in issue.*

3 - *Computed based on the issue price of RM0.55 each divided by the gross earnings per share.*

4 - *Computed based on the issue price of RM0.55 each divided by the net earnings per share.*

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MY E.G. SERVICES BERHAD

B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast

The details of the Proposals to be undertaken in relation to the listing of MYEG on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") are as follows:-

(a) public issue of 25,500,000 new ordinary shares of RM0.10 each in MYEG ("MYEG Shares") to the public, selected investors, eligible directors and employees of MYEG at an issue price of RM0.55 per MYEG Share ("Public Issue"); and

(b) the listing of and quotation for the entire enlarged issued and paid-up share capital of MYEG comprising 126,250,000 MYEG Shares on the MESDAQ Market.

B.1 Specific Assumptions

1. MYEG Group will be able to achieve the forecast revenue based on the following assumptions:

		2007
(i)	***Driver Related***	
	- annual growth of Malaysian population (%)	2.00
	- percentage of new drivers to total Malaysian population (%)	2.27
	- average number of driving theory test to be taken by a new driver (times)	1.90
	- MYEG's market share (%)	33.30
(ii)	***Vehicle Related***	
	- annual growth rate of private cars registered (%)	8.87
	- annual growth rate of motor vehicles registered (%)	7.14
	- electronic application of motor vehicle registration number and motor vehicle registration (Phase 1)	
	- nationwide coverage (%)	65.00
	- number of tenders per each new registration	5.00
	- MYEG's market share (%)	33.30
	- E-Insurance cover note	
	- MYEG's market share (%)	9.00

MY E.G. SERVICES BERHAD

B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast (Cont'd)

B.1 Specific Assumptions (Cont'd)

	2007
(ii) *Vehicle Related (Cont'd)*	
- electronic application of motor vehicle registration number and motor vehicle registration (Phase 2)	
- MYEG's market share (%)	33.30
- nationwide coverage (%)	60.00
- E-Insurance intermediary services	
- annual growth rate of motor vehicles insurance premium (%)	6.00
- commissions from insurance companies (%)	10.00
- MYEG's market share (%)	0.10

2. MYEG Group will be able to achieve the following Government to Citizen ("G2C") and Government Enterprise Solutions ("GES") revenue:

	2007 RM'000
G2C	6,759
GES	16,204
	22,963

3. The existing software and network systems development and maintenance contract signed between Gale Vector Sdn Bhd ("GVSB") and PDX.com Sdn Bhd will not be terminated before expiration and the terms of the contract will not be varied during the contract period.

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MY E.G. SERVICES BERHAD

B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast (Cont'd)

B.1 Specific Assumptions (Cont'd)

4. The existing 15 years tenure E-Government ("EG") service contract signed between MYEG and Jabatan Pengangkutan Jalan ("JPJ") on 23 May 2000 will not be terminated before expiration and the terms of the contract will not be varied during the contract period. It is assumed that JPJ will not appoint additional EG service provider.

5. MYEG was appointed as the EG service provider for Jabatan Insolvensi Malaysia ("JIM") with effect from 19 September 2005 for a tenure of 15 years via a letter of appointment dated 31 March 2006. The EG service agreement between MYEG and JIM will be signed and executed as planned. The agreement will not be terminated before expiration and the terms of the contract will not be varied during the contract period. It is assumed JIM will not appoint more than 3 EG service provider.

6. The proceeds from the Public Issue will be utilised as follows:

	RM'000	**To be utilised by**
Capital expenditure	10,841	30.6.2008
Working capital	1,384	30.6.2007
Estimated listing expenses	1,800	30.6.2007
	14,025	

7. The estimated listing expenses of RM1.8 million to be incurred in respect of the flotation exercise are to be charged to share premium for the financial year ending 30 June 2007, which is the year in which the proposed listing is expected to be completed.

8. MYEG will be able to maintain its Multimedia Super Corridor ("MSC") status which qualifies MYEG for the pioneer status incentive which allows MYEG to enjoy full exemptions from income tax on its statutory income for 5 years, commencing 18 July 2001 and may be extended for a second five-year term. Accordingly, no taxation has been provided for the financial statements of MYEG in the forecast year as it is assumed that MYEG will be granted an extension for a further 5 years until 17 July 2011.

9. There will be no significant changes in technology which will adversely affect the operations of the MYEG Group.

10. No Employee Share Option Scheme will be issued in the forecast year.

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MY E.G. SERVICES BERHAD

B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast (Cont'd)

B.2 General Assumptions

1. There will be no significant changes in the principal activities and existing group structure of MYEG Group.

2. There will not be any loss of MYEG Group's existing business alliances that will materially affect the revenue of MYEG Group, and it is assumed that there will be no significant occurrences of bad and doubtful debts.

3. There will be no significant changes in the forecast selling prices or major changes in the expected market demand for the MYEG Group's products and services.

4. There will be no significant changes in the key management and operating structure of MYEG Group.

5. There will be no significant changes in the purchase prices of major products, labour and other operating costs other than those as provided. Any significant increase in the cost of products will be compensated through an equivalent increase in the selling prices.

6. The existing contracts signed between the MYEG Group and its suppliers will be renewed upon expiration without any significant variation to the existing terms and conditions of the contracts.

7. Inflation rate will not fluctuate significantly from the present and forecast level. With regard to inflation, administrative and other operating expenses were forecasted to increase in tandem with the level of operations of the Group. The effects of inflation, where applicable, have been incorporated in the forecast of administrative and other operating expenses.

8. Foreign currency exchange rates will not fluctuate significantly from the present and forecast level. Exchange rates of foreign currencies will not fluctuate significantly from the prevailing rates.

9. There will be no significant changes to the prevailing political conditions in Malaysia that may have an adverse effect on the activities and performance of the MYEG Group.

10. The Malaysian economy will perform in line with the Government's projections during the forecast year without any unfavourable global economic impact.

MY E.G. SERVICES BERHAD

B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast (Cont'd)

B.2. General Assumptions (Cont'd)

11. There will be no significant changes in the present legislation or government regulations, direct or indirect taxes and duties, which will adversely affect the activities of MYEG Group. The income tax rate in Malaysia will remain at 28% with no significant changes in the bases of taxation, applicable to MYEG Group.

12. There will be no major proceedings against MYEG Group which will adversely affect the activities or performance of MYEG Group or give rise to any contingent liabilities which will materially affect the financial position or business of MYEG Group.

13. There will be no significant changes in the accounting policies presently adopted by MYEG Group. The adoption of new Financial Reporting Standards ("FRS") by MYEG Group for the financial year beginning 1 July 2006 will not have any significant effect on the profit forecast.

14. There will be no material acquisition or disposal of property, plant and equipment or investments other than those planned and incorporated in the profit forecast.

15. There will be sufficient manpower and there will be no industrial disputes or disruption or any other abnormal factors which will adversely affect the operations and performance of the MYEG Group.

9.10 Directors' Commentary on the Consolidated Profit Forecast

Our Directors forecast that our Group's revenue will increase by approximately 19.2% from RM19.3 million in FYE 2006 to RM23.0 million in FYE 2007. Our Directors expect that revenue growth will be driven by the continuous expansion of both our Group's GES and G2C revenue as a result of the anticipated increase in sales volume of existing services, launch of new services upon approval from the relevant regulatory agencies and increase in delivery channels such as additional E-Service Centres and kiosks.

Despite a forecast increase in operating expenses in line with our business expansion, our Group is expected to post a higher gross profit of RM12.0 million as compared to approximately RM6.1 million reported in FYE 2006. In tandem with the increase in revenue and gross profit, our Group's PBT is forecast to increase to approximately RM7.9 million in FYE 2007 from RM4.1 million in FYE 2006.

Our growth rates, as forecasted, may be further supported by the following macro-economic factors:

- Government incentives – a total of RM12.9 billion has been allocated for ICT-related programmes and projects under the 9MP (8MP: RM7.9 billion).

- Increased in the total number of motorists – the total number of motor vehicles and total number of drivers in Malaysia have shown CAGR growth of 7.7% (1993 to 2005) and 12.5% (1997 to 2004) respectively. The increase in the number of cars and number of drivers coupled with the increase in the main addressable population age groups (15 – 24 age group) will undoubtedly drive the demand for services offered under the E-Services project.

- Demographic trend – The services offered under E-Government and E-Services are targeted at citizens, therefore the determinant for the increasing demand of the industry is the population growth rate. Malaysia's population has experienced an average growth rate of 2.5% from 20.7 million in 1995 to 25.9 million in 2004.

- Computers and internet penetrations – PC penetration (PC per 100 inhabitants/persons) increased from 6.1% in 1998 to 16.6% in 2003. In terms of Internet subscription, the estimated number of Internet users has increased from approximately 1.2 million in 1998 to 11.0 million in 2005, representing an increase of more than 800%.

(Source: Independent Market Research Report)

Our Directors do not expect any exceptional items or extraordinary items during the FYE 2007 which will materially have any impact on the financial results for FYE 2007. Meanwhile, our Directors are of the opinion that our Group will maintain sufficient liquidity levels and will have adequate working capital for its foreseeable requirements.

The accounting policies consistent with those adopted in previous financial years have been applied in preparing the forecast for FYE 2007.

Our Group's consolidated revenue forecast for FYE 2007 is considerably derived from the operations under the Government concession. However, the likelihood of the Government switching to another new Service Provider is unlikely, since we have proven to be a reliable Service Provider with the relevant capabilities, expertise and technology to implement the E-Services project smoothly. In addition, we have a proven track record of meeting the requirements of the Government and our customers in terms of prompt delivery, continuous product development and improvement, and increasing service efficiency. As such, our Directors are confident that the consolidated revenue forecast for FYE 2007 is achievable.

Our Directors accept full responsibility for the profit forecast included in this Prospectus and confirm that the profit forecast has been prepared based on estimates and assumptions made after due and careful enquiry.

9.11 Dividend Policy and Forecast

It is our Directors' policy to recommend dividends which would allow shareholders to participate in the profits of our Group while at the same time leaving sufficient reserves for the future growth of our Group.

Our Board will take into consideration the following factors and the financial position of our Group in recommending and determining the level of dividend payments, if any, in any particular financial year or period:

(a) the level of our cash, marketable financial assets and level of indebtedness;
(b) required and expected interest expense, cashflows, our profits and return on equity and retained earnings;
(c) the availability of tax credits to frank dividends; and
(d) our projected levels of capital expenditure and other investment plans.

Based on the forecast consolidated PAT after MI for the FYE 30 June 2007, our Directors anticipate that in the absence of unforeseen circumstances, our Company will be in the position to propose a gross dividend of 5% per Share, based on our enlarged issued and paid-up share capital of 126,250,000 Shares for the FYE 30 June 2007.

FYE 30 June	**Forecast 2007**
Gross dividend per Share (sen)[1]	0.50
Net dividend per Share (sen)[1]	0.36
Gross dividend yield (based on the Issue Price) (%)	0.91
Net dividend yield (based on the Issue Price) (%)	0.65
Gross dividend cover (times)[2]	11.11
Net dividend cover (times)[2]	15.43

Notes:
1. *Based on our enlarged issued and paid-up share capital of 126,250,000 Shares.*
2. *The gross dividend cover and net dividend cover are computed based on the consolidated PAT after MI attributable to shareholders over the gross dividend and net dividend respectively.*

10. SUMMARY OF BUSINESS DEVELOPMENT PLAN

We adopt the following as our vision statement:

Vision

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

Mission

To be a one-stop centre for the Malaysian public and business community with the provision of a channel for interacting with federal, state and local authorities through vertically-integrated information services, marketing and online bill-payment processing services.

Our Group's vision is to be a high value added provider of globally competitive IT services. In order to realise our vision, our Directors and management strongly believe that we have to expand our business activities through appropriate and effective strategies to steer us towards the right direction in the IT industry. The strategies to be adopted by us are to optimise our current technology capabilities, retain employees' and stakeholders' confidence and increase revenue growth through market expansion, product expansion and improvement in process and technology upgrade along the value chain.

Key Strategies Employed

In view of the above factors, we believe that the following strategies will help to ensure our competitive advantage:

- We will continue with our expansion plan to achieve economies of scale. Other than opening more E-Service Centres, we will also expand our services through kiosk operations. These kiosks will be located at major shopping complexes and specially built one-stop centres, similar to location centres of ATMs of financial institutions. These visible spots will be convenient for the public to pay their bills and encourage usage of our Group's E-Services.

- To sustain long term growth, we remain committed to seeking out opportunities to manage our existing businesses better and to continue our Group's business expansion through acquisition of complementary businesses, not only to enter new territories but also to expand our offer in territories where we already have a presence. The acquisition of businesses with well-established products and services as well as customer bases provides opportunities to enhance our products and market reach which will lead to improve profitability. We have currently identified a Malaysian-based company with related business activities for possible acquisition, further details of which are set out in Section 4.9 (ii) of this Prospectus.

- We will seek strategic alliances, especially in the insurance services sector. As more banks encourage their customers to carry out banking transactions online, we plan to tie-up with major insurance companies to provide links to their customers to pay bills online.

- We intend to join more trade shows and exhibition, both locally or abroad, to highlight our technology and promote our services. At the same time, by joining prestigious exhibitions such as the MSC Expo organised by the MDEC, our Group will also be able to gain an insight to the technologies available to incorporate into our own applications.

- We will seek diversification especially in the private sector to enhance our revenue base and minimise the risk of dependence on concessions from the Government. For instance, our previous acquisition of 54.5% equity interest in PNSB, which is principally involved in the provision of E-Cover Notes to Malaysian motorists, has since contributed positively to our Group's revenue following the full implementation of its E-Cover Notes services in 2005. We will also bid for outsourced jobs for software development as we have the expertise to develop and implement projects in relatively short timeframes. Potential customers can expect lower costs and quicker implementation with minimal disruption to their business.

- We will also seek geographical diversification. Plans are in place to export our solutions should foreign governments wish to emulate Malaysia's successful E-Government programme.

- To keep abreast with the rapid change in technology, our Group will send key staff for training and to attend seminars. They will in turn train other staff and this process will ensure that all staff keeps pace with technological changes.

In preparing to be one of the leading players of E-Government solutions in Asia, we are seeking additional funding from the capital market to realise our potential as a one-stop solution provider for E-Government Initiative.

We intend to leverage on our existing software design and technical capabilities to expand into the following areas:

(i) Broader Range of Products and services

Table A: Product Development and Launching Plan, FYE 2007 – 2010

	2007	2008	2009	2010
GES				
Electronic Application of Vehicle Registration Number and Motor Vehicle Registration (Phase 2)	Product Launch			
E-Insurance Intermediary Service	Product Launch			
Online Transactional Services for Jabatan Pendaftaran Negara	Product Launch			
Road Tax Renewal	R&D	Product Launch		
Transfer of Vehicle Ownership	R&D	Product Launch		
Online Transactional Services for Department of Statistics		R&D	Product Launch	
Tax Monitoring System			R&D	Product Launch
G2C				
Issuance of Probationary Driving Licence	Product Launch			
Electronic Application of Vehicle Registration Number and Motor Vehicle Registration (Phase 1)	Product Launch			

Notes: *R&D* *Product Launch*

We have identified several Government regulated commercial projects which will diversify our Group's revenue base. Government regulated commercial services are services which complement Government services but are not provided by the Government. To illustrate, insurance is required before the Government issues a vehicle road tax, but the issuance of insurance is provided by 'commercial' insurance companies and not the Government. On the other hand, privatised services refer to services normally provided by the Government which has been awarded to private companies. An example would be the first phase JPJ services such as the issuance of learner's driving licence and driving theory test bookings, which are normally done by the Government but has been privatised to our Group. While privatised services require a finite concession period, commercial services are allowed to run for as long as conditions imposed by the Government are not breached.

Therefore, our Group's strategy to overcome the finite lifespan of our privatised services is to embark on Government regulated commercial services. Our management believes that we have competitive advantage in this area due to the complementary nature of privatised services and its related commercial services, allowing products to be bundled and therefore maximising income and market share.

(ii) Geographical Diversification

Table B: Geographic Expansion Plan FYE 2007 - 2010

		2007	2008	2009	2010
GES	**Penetration into New Market**		South East Asia	Middle East	South Asia
	Marketing Strategies		Government to government marketing	Government to government marketing	Government to government marketing
G2C	**Expansion in Existing Market Segments**	Global	Global	Global	Global
	Marketing Strategies	Web Marketing Programs Through sponsorship to create public awareness	Web Marketing Programs Regional Trade & IT Exhibitions	Web Marketing Programs Regional Trade & IT Exhibitions	Web Marketing Programs Regional Trade & IT Exhibitions

It has always been the vision of the Government for MSC Flagship Applications to form the next engine of export growth. The MDEC is constantly promoting applications to foreign governments through trade shows and the annual MSC International Advisory Panel event. We expect to embark on a more comprehensive export programme once the second phase of JPJ services has been implemented. The focus then will be to work closely with the Government to undertake government-to-government marketing. This can be done by participating in trade missions, exhibitions, seminars and other trade activities in the local country.

10. SUMMARY OF BUSINESS DEVELOPMENT PLAN *(Cont'd)*

Due to the nature of our Group's G2C business, Internet is available globally as people around the world will be able to access our website anywhere and anytime. Hence, we will continue to establish our reputation and brand name globally via sponsorship to create public awareness and through regional trade and IT exhibitions as well as web marketing programs.

(iii) Building our In-house MYEG™ Brand into High-growth Markets

We plan to strategically build *well-nurtured, close business and technology alliance* with international partners to spearhead our expansion into selected vertical markets. We also plan to align our strength with partners that have critical and strategic skills which may complement and boost our revenue in the coming years. Resource allocation will be milestone-driven and results-oriented whilst focusing on quality, continuous improvement, flexibility, scalability, innovation and profitability.

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