



MY E.G. SERVICES BERHAD
 (Company No. 505639-K)
 (Incorporated in Malaysia under the Companies Act, 1965)

SECOND QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2006

Condensed Consolidated Income Statement
For the Second Quarter ended 31 December 2006
 (The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2006 (RM'000)	Preceding Year Corresponding Quarter 31.12.2005 (RM'000)	Current Year To Date 31.12.2006 (RM'000)	Preceding Year Corresponding Period 31.12.2005 (RM'000)
Revenue	6,211	-	11,042	-
Operating expenses	3,967	-	7,865	-
Operating Profit before	2,244	-	3,177	-
Depreciation and amortization	329	-	617	-
Finance Costs	12	-	18	-
Profit before Taxation	1,903	-	2,542	-
Taxation	7	-	18	-
Net Profit for the period	1,896	-	2,524	-
Attributable to:				
Shareholders of the Company	1,888	-	2,505	-
Minority Interest	8	-	19	-
Net Profit for the period	1,896	-	2,524	-
Weighted average number of shares ('000)	100,750		100,750	
Gross Earnings per share ("EPS") (sen)	1.9		2.5	
Net EPS (sen)	1.9		2.5	
Effective Tax Rate (%)	0.37%		0.71%	

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2006 and the accompanying notes to the Interim Financial Statements.

As this is the first quarterly report being drawn up as a listed company, there are no comparative figures for the preceding year corresponding quarter/period.

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Condensed Consolidated Balance Sheet
As at 31 December 2006

	Unaudited As at end of Current Quarter 31.12.2006 RM'000	Audited As at 30.6.2006 RM'000
ASSETS		
NON-CURRENT ASSETS		
Development costs	5,175	4,601
Equipment	4,975	3,946
Goodwill on consolidation	2,600	2,600
	12,750	11,147
CURRENT ASSETS		
Trade receivables	1,843	1,199
Other receivables and deposits	4,551	4,454
Cash and bank balances	2,157	2,277
	8,551	7,930
	21,301	19,077
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	10,075	10,075
Retained profits	9,575	7,070
	19,650	17,145
SHAREHOLDERS' EQUITY	19,650	17,145
MINORITY INTERESTS	85	66
	19,735	17,211
TOTAL EQUITY		
NON-CURRENT LIABILITY		
Deferred taxation	19	13
Hire Purchase	269	-
	288	13
CURRENT LIABILITIES		
Trade payables	81	547
Other payables and accruals	1,038	1,225
Amount owing to a director	-	9
Provision for taxation	51	39
Short term borrowings	108	33
	1,278	1,853
	1,566	1,866
TOTAL LIABILITIES	1,566	1,866
TOTAL EQUITY AND LIABILITIES	21,301	19,077
Net assets attributable to ordinary equity holders of the parent (RM'000)	19,650	17,145
Net assets per share attributable to ordinary equity holders of the parent (sen)	19.5	17.0
Net tangible assets ("NTA") (RM'000)	12,229	10,010
NTA per Share (sen)	12.1	9.9

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2006 and the accompanying notes to the Interim Financial Statements.

MY E.G. SERVICES BERHAD
 (Company No. 505639-K)
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Condensed Consolidated Statement of Changes in Equity
For the Second Quarter ended 31 December 2006
 (The figures have not been audited)

	← Attributable to Equity Holders → of the Company		Minority Interest	Total Equity
	Share capital (RM'000)	Distributable Retained Profits (RM'000)	(RM'000)	(RM'000)
As at 1 July 2006	10,075	7,070	66	17,211
Profit After Tax For The Financial Period	-	2,505	19	2,524
As at 31 December 2006	10,075	9,575	85	19,735

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2006 and the accompanying notes to the Interim Financial Statements.

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MY E.G. SERVICES BERHAD
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Condensed Consolidated Cash Flow Statement
For the Second Quarter ended 31 December 2006
(The figures have not been audited)

	Current Year To Date Ended 31.12.2006 (RM'000)	Corresponding Year To Date Ended 31.12.2005 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,542	-
Adjustments for:-		
Amortisation of development costs	134	-
Depreciation of equipment	483	-
Interest expense	18	-
	<hr/>	<hr/>
Operating profit before working capital changes	3,177	-
Increase in trade and other receivables	(741)	-
Decrease in trade and other payables	(653)	-
	<hr/>	<hr/>
CASH FLOWS FROM OPERATIONS	1,783	-
Income tax paid	-	-
Interest paid	(18)	-
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	1,765	-
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(1,512)	-
Additions of development costs	(708)	-
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(2,220)	-
CASH FOR FINANCING ACTIVITIES		
Repayment of term loan	(19)	-
Drawdown of hire purchase loan	420	-
Repayment of hire purchase obligations	(57)	-
Repayment to a director	(9)	-
	<hr/>	<hr/>
NET CASH FOR FINANCING ACTIVITIES	335	-
	<hr/>	<hr/>
NET DECREASE IN CASH AND BANK BALANCES	(120)	-
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	2,277	-
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CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	2,157	-
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The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2006 and the accompanying notes to the Interim Financial Statements.

As this is the first quarterly report being drawn up as a listed company, there are no comparative figures for the preceding year corresponding quarter/period.

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Notes To The Interim Financial Report For The Financial Period Ended 31 December 2006

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

A1. Basis of Preparation

The interim financial statements is unaudited and have been prepared in accordance with the FRS 134 Interim Financial Reporting and Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) for the MESDAQ Market.

The interim financial report 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 30 June 2006.

The same accounting policies and methods of computation adopted in these interim financial statements are consistent with the annual financial statements for the year ended 30 June 2006. except as mentioned in Note A2 below.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2006 except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) that are effective and relevant for the Group for the financial period beginning 1 July 2006:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of the above FRSs does not have any significant financial impact on the Group.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2006 was not qualified.

A4. Seasonal and Cyclical Factors

The Group's business operation result is subject to seasonality factors. The demand for new driving licences generally increases in the first half of the year (i.e the second half of the Group's financial year) 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, 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).

A5. 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.

A6. 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.

A7. 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.

A8. Dividends Paid

There were no dividends paid in the current financial quarter and financial period year to date.

A9. 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 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.

A10. 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.

A11. Subsequent Events

Save as disclosed below, there were no material events subsequent to the end of the current financial quarter under review that has not been reflected.

On 30 November 2006, MYEG issued a prospectus for the public issue of 25,500,000 shares of RM0.10 each in the company at an issue price of RM0.55 each in conjunction with the listing of and quotation for the entire enlarged issued and paid-up share capital of the company comprising 126,250,000 ordinary shares of RM0.10 each on the MESDAQ Market of Bursa Securities. The public issue shares were fully subscribed on its closing date on 3 January 2007. MYEG is scheduled to be listed on the MESDAQ Market of Bursa Securities on 16 January 2007.

The gross proceeds of RM14,025,000 from the public issue will be utilised by the Group as follows:

Purpose	RM'000	To be used by financial year ending 30 June
Capital Expenditure	10,841	2008
Working capital	1,384	2007
Listing expenses	1,800	2007
	<u>14,025</u>	

A12. Changes in the Composition of the Group

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

A13. 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.

A14. Capital Commitments

As at 31.12.2006, the Group has commitment for the following:-

	RM'000
Purchase of multi purpose kiosks	209
Purchase of motor vehicles for operations	302
	<u>511</u>

A15. Related Party Transactions

There were no related party transactions entered into in the current quarter under review.

B. Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Securities For The MESDAQ Market

B1. Performance of the Group

The Group posted Revenue and Net Profit for the quarter of RM6.2 million and RM1.9 million respectively for the current financial quarter ended 31 December 2006 ("Q2 FY2007").

For the year to date period ended 31 December 2006 ("1H FY2007"), the Group recorded revenue of RM11.0 million. In addition, with effect from November 1, 2006, the authorized fee for re-sits of JPJ electronic theory test taking services was increased from RM17 to RM27.

Total operating expenses was RM7.9 million in 1H FY2007 while depreciation and amortization expenses amounted to RM0.6 million due to our investments in capital and development expenditure during the current period. As a result of the above, the Group achieved Net Profit of RM2.5 million for the current year to date period.

B2. Comparison with Preceding Quarter's Results

There were no comparative figures for the immediate preceding quarter as this is the Group's first quarterly report.

B3. Prospect of the Group

Barring any unforeseen circumstances, the Directors of MyEG are of the opinion that the results for the financial year ending 30 June 2007 will be satisfactory as awareness of our existing services and brand name continues to increase while new services are scheduled to be launched during the second half of our financial year

B4. Variance from Profit Forecast

Not applicable as this is not the final quarter's results for the Group. Disclosure on the variance between actual and forecasted results would only be required in conjunction with the final quarterly results' announcement for the Group.

B5. Taxation

The taxation figures are as follows:

	Current Year Quarter 31.12.2006 (RM'000)	Current Year To Date 31.12.2006 (RM'000)
Current period	3	12
Deferred taxation	4	6
	<hr/>	<hr/>
	7	18

The effective tax rate for the current financial quarter and cumulative year to date is 0.37% and 0.71% respectively, as compared to the statutory tax rate of 28%. The lower effective tax rate is primarily because the Group's revenue is mainly contributed by the MSC status holding company, My E.G. Services Bhd, whereby revenue arising from approved MSC activities are not subjected to income tax.

B6. Unquoted Securities and/or Properties

There were no purchases or disposals of any unquoted securities and/or properties for the current financial quarter and financial period year to date.

B7. Quoted Securities

There were no purchases or disposal of any quoted securities for the current financial quarter.

B8. Status of Corporate Proposal

Save for the scheduled listing of MyEG on the MESDAQ Market of Bursa Securities as stated in Note A11, there is no corporate proposal announced but not completed as at the date of this announcement.

B9. Group Borrowings

Details of the Group's borrowings as at 31 December 2006 are as follows:-

	Current (RM'000)	Non-Current (RM'000)	Total (RM'000)
Secured			
Term Loan	14	-	14
Hire Purchase	94	269	363
Total Borrowings	108	269	377

The borrowings are denominated in RM.

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigations

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

B12. Dividends

No dividends were declared during the current financial quarter under review.

B13. EPS

i. Basic

The basic EPS is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current Year Quarter 31.12.2006 (RM'000)	Current Year To Date 31.12.2006 (RM'000)
Net profit attributable to ordinary shareholders	1,888	2,505
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	100,750	100,750
Basic EPS (sen)	1.87	2.49

ii. Diluted

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

By Order of the Board

Mah Li Chen
Secretary
11 January 2007