



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 2007

Condensed Consolidated Income Statement
For the Second Quarter ended December 31, 2007
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2007 (RM'000)	Preceding Year Corresponding Quarter 31.12.2006 (RM'000)	Current Year To Date 31.12.2007 (RM'000)	Preceding Year Corresponding Period 31.12.2006 (RM'000)
Revenue	11,553	6,211	21,240	11,042
Operating expenses	7,193	3,967	13,551	7,865
Operating Profit	4,360	2,244	7,689	3,177
Depreciation and amortization	544	329	1,071	617
Finance Costs	131	12	220	18
Other Income	55	-	110	-
Profit before Taxation	3,740	1,903	6,508	2,542
Taxation	13	7	27	18
Net Profit for the period	3,727	1,896	6,481	2,524
Attributable to:				
Shareholders of the Company	3,726	1,888	6,479	2,505
Minority Interest	1	8	2	19
Net Profit for the period	3,727	1,896	6,481	2,524
Weighted average number of shares ('000)	185,258	100,750	155,754	100,750
Gross Earnings per share ("EPS") (sen)	2.0	1.9	4.2	2.5
Net EPS (sen)	2.0	1.9	4.2	2.5
Effective Tax Rate (%)	0.35%	0.37%	0.41%	0.71%

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2007 and the accompanying notes to the Interim Financial Statements.

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Condensed Consolidated Balance Sheet
As at 31 December 2007

	Unaudited As at end of Current Quarter 31.12.2007 RM'000	Audited As at 30.6.2007 RM'000
ASSETS		
NON-CURRENT ASSETS		
Development costs	5,940	5,527
Equipment	9,821	8,658
Goodwill on consolidation	12,022	2,601
	27,783	16,786
CURRENT ASSETS		
Trade receivables	2,627	1,376
Other receivables and deposits	6,180	4,751
Cash and bank balances	14,922	15,681
	23,729	21,808
TOTAL ASSETS	51,512	38,594
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	25,250	12,625
Share Premium	-	9,673
Retained profits	15,811	14,130
	41,061	36,428
SHAREHOLDERS' EQUITY	41,061	36,428
MINORITY INTERESTS	89	87
TOTAL EQUITY	41,150	36,515
NON-CURRENT LIABILITY		
Deferred taxation	8	8
Hire Purchase	245	331
Term Loan	4,800	-
	5,053	339
CURRENT LIABILITIES		
Trade payables	1,145	842
Other payables and accruals	1,223	701
Dividend Payable	1,750	-
Provision for taxation	63	36
Short term borrowings	1,128	161
	5,309	1,740
TOTAL LIABILITIES	10,362	2,079
TOTAL EQUITY AND LIABILITIES	51,512	38,594
Net assets attributable to ordinary equity holders of the parent (RM'000)	41,061	36,428
Net assets per share attributable to ordinary equity holders of the parent (sen)	16.3	28.9

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2007 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 December 31, 2007
(The figures have not been audited)

	← Attributable to Equity Holders of the Company →			Minority Interest (RM'000)	Total Equity (RM'000)
	Share capital (RM'000)	Share Premium (RM'000)	Distributable Retained Profits (RM'000)		
As at 1 July 2006	10,075	-	7,070	66	17,211
Issue of New Shares	2,550	11,475	-	-	14,025
Listing Expenses	-	(1,802)	-	-	(1,802)
Profit After Tax For The Financial Period	-	-	7,060	21	7,081
As at 30 June 2007	12,625	9,673	14,130	87	36,515
As at 1 July 2007	12,625	9,673	14,130	87	36,515
Profit After Tax For The Financial Period	-	-	6,479	2	6,481
Bonus Issue	12,625	(9,577)	(3,048)	-	-
Bonus Issue Expenses	-	(96)	-	-	(96)
Dividend Payable	-	-	(1,750)	-	(1,750)
As at 31 December 2007	25,250	-	15,811	89	41,150

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 2007 and the accompanying notes to the Interim Financial Statements.

MY E.G. SERVICES BERHAD
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Condensed Consolidated Cash Flow Statement
For the Second Quarter ended December 31, 2007
(The figures have not been audited)

	Current Year To Date Ended 31.12.2007 (RM'000)	Corresponding Year To Date Ended 31.12.2006 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,508	2,542
Adjustments for:-		
Amortisation of development costs	153	134
Depreciation of equipment	918	483
Interest expense	220	18
Fixed asset written off	2	-
Operating profit before working capital changes	7,801	3,177
Increase in trade and other receivables	(2,573)	(741)
Increase/(Decrease) in trade and other payables	469	(653)
CASH FLOWS FROM OPERATIONS	5,697	1,783
Interest paid	(220)	(18)
NET CASH FROM OPERATING ACTIVITIES	5,477	1,765
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(1,353)	(1,512)
Additions of development costs	(565)	(708)
Investment in subsidiary, net of cash acquired	(10,009)	-
NET CASH FOR INVESTING ACTIVITIES	(11,927)	(2,220)
CASH FOR FINANCING ACTIVITIES		
Repayment of term loan	(240)	(19)
Drawdown of term loan	6,000	-
Repayment of hire purchase obligations	(79)	(57)
Drawdown of hire purchase loan	-	420
(Repayment to)/Advances from a director	-	(9)
Proceeds from disposal of equipment	10	-
NET CASH FOR FINANCING ACTIVITIES	5,691	335
NET DECREASE IN CASH AND BANK BALANCES	(759)	(120)
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	15,681	2,277
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	14,922	2,157

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2007 and the accompanying notes to the Interim Financial Statements.

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Notes To The Interim Financial Report For The Financial Period Ended 30 December 2007

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

A1. Basis of Preparation

The interim financial statements are 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 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 30 June 2007.

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 2007 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 2007 except for the adoption of the following FRS which have been issued and are effective for financial periods beginning on or after 1 October 2006 and will be effective for the Group’s and the Company’s financial statement for the financial year ending 30 June 2008:

FRS 117	Leases
FRS 124	Related Party Disclosures

The following revised FRS have been issued and are effective for financial periods beginning on or after 1 July 2007 and will be effective for the Group’s and the Company’s financial statements for the financial year ending 30 June 2008:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

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

FRS 139 - Financial Instruments: Recognition and Measurement has been issued and the effective date has yet to be determined by MASB. The Company will apply this standard when it becomes effective.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2007 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

On 23 November 2007, the company declared a first and final tax-exempt dividend of 0.693 sen per ordinary share of RM0.10 in respect of the financial year ended 30 June 2007 and it was paid on 28 January 2008.

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

There were no material events subsequent to the end of the current financial quarter under review that has not been reflected.

A12. Changes in the Composition of the Group

(i) Acquisition of a new subsidiary company

On 29 October 2007, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Fidelity Radiance Sdn Bhd ("FRSB") for a total cash consideration of RM2.00, thus making FRSB a wholly-owned subsidiary of the Company.

On 7 December 2007, FRSB changed its name to My E.G. Commerce Sdn Bhd ("MYEG Commerce")

As at the date of this announcement, MYEG Commerce has not commenced any operations.

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 31.12.2007, the Group has commitment for the following:-

	RM'000
Purchase of multi purpose kiosks	<u>3,593</u>

A15. Related Party Transactions

Related Transacting Parties	Related Parties and Relationship
Embunaz Ventures Sdn Bhd ("Embunaz")	Senator Dato' Dr Norraesah Binti Haji Mohamad, who is an Executive Chairman and shareholder of MYEG is also an Executive Chairman and major shareholder of Embunaz.

The related party transactions of the Group for the Quarter ended 31.12.2007 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Rental of Premises	27,750	-	55,500	-
Professional Fees	20,250	-	40,500	-
Total	<u>48,000</u>	-	<u>96,000</u>	-

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. These transactions are within the ambit of the mandate approved by the shareholders of the Company on December 18, 2007.

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 Profit after Taxation (“PAT”) of RM11.6 million and RM3.7 million respectively for the second financial quarter (“Q2 FY2008”) as compared to RM6.2 million and RM1.9 million respectively in the corresponding quarter (“Q2 FY2007”). This represents an increase of RM5.3 million (or 86%) and RM1.8 million (or 95%) in Revenue and PAT respectively.

For the year to date period ended 31 December 2007 (“6M FY2008”), the Group recorded Revenue and PAT of RM21.2 million and RM6.5 million respectively as compared to RM11.0 million and RM2.5 million respectively in the corresponding period (“6M FY2007”). This represents an increase of RM10.2 million (or 92%) and RM4.0 million (or 157%) in Revenue and PAT respectively.

The increase in Revenue and PAT for both Q2 FY2008 and 6M FY2008 over the corresponding periods in FY2007 is primarily attributable to

- i) the contribution from our newly acquired subsidiary, SPEED with effect from July 1, 2007 (which impacted both the Q2 FY2008 and 6M FY2008 operating results); and
- ii) an increase in volume and revenue generated from services with better margins, such as JPJ’s electronic test taking of the highway code and Jabatan Insolvensi Malaysia (“JIM”)-related services. In addition, there was also an increase in the rates for resits of JPJ’s electronic test taking of the highway code only with effect from December 2006 whereas the higher rates applied for the entire Q2 FY2008 and 6M FY2008 periods.

Total operating expenses was

- i) RM7.2 million in Q2 FY2008 as compared to RM4.0 million in Q2 FY2007 and
- ii) RM13.6 million in 6M FY2008 as compared RM7.9 million in 6M FY2007

The increase is consistent with the increase in revenue for both the respective periods. In addition, operating overheads also increased in both the Q2 FY2008 and 6M FY2008 periods primarily due to the acquisition of SPEED (resulting in an increase in expenses related to the increase in employees and E-Service Centers).

Depreciation and amortization expenses

- i) amounted to RM0.5 million in Q2 FY2008 as compared to RM0.3 million in Q2 FY2007
 - ii) amounted to RM1.1 million in 6M FY2008 as compared to RM0.6 million in 6M FY2007
- due to the increase in capital expenditure from the proceeds of the public issue.

Finance costs also increased from

- i) RM12,000 in Q2 FY2007 to RM131,000 in Q2 FY2008; and
 - ii) RM18,000 in 6M FY2007 to RM220,000 in 6M FY2008
- as a result of the increase in borrowings (primarily due to the drawdown of the RM6 million Term Loan facility utilised for partially financing the acquisition of SPEED).

B2. Comparison with Preceding Quarter’s Results

	Q2 FY2008 RM'000	Q1 FY2008 RM'000
Revenue	11,553	9,687
Profit Before Tax (“PBT”)	3,740	2,766
Profit After Tax (“PAT”)	3,727	2,753

For the Quarter under review, the Group recorded revenue of RM11.6 million representing an increase of 19% as compared to Q1 FY2008 revenue of RM9.7 million. PAT increased correspondingly to RM3.7 million, an increase of 35% as compared to Q1 FY2008 PAT of RM2.8 million. The increase in Group Revenue and PAT, primarily contributed by MYEG and SPEED, are mainly due to the increase in volume of JPJ's electronic test taking related transactions subsequent to the commencement of the year end school holidays in December 2007 (please refer to the seasonal and cyclical factors as disclosed in Note A4).

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 2008 will continue to grow as awareness of our existing services and brand name continues to increase while a new service is scheduled to be launched during the second half of the financial year ending 30 June 2008.

B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the financial year ending 30 June 2008.

B5. Taxation

The taxation figures are as follows:

	Current Year Quarter 31.12.2007 (RM'000)	Current Year To Date 31.12.2007 (RM'000)
Current period	13	27

The effective tax rate for the current financial quarter and cumulative year to date is 0.35% and 0.41% respectively, as compared to the statutory tax rate of 27%. The lower effective tax rate is primarily because the Group's revenue is mainly contributed by the MSC status companies in the Group namely, My E.G. Services Bhd and mySPEED.com Sdn Bhd, whereby revenue arising from approved MSC activities are not subjected to income tax.

B6. Unquoted Securities and/or Properties

Save as disclosed in Note A11 and A12, 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

There is no corporate proposal announced but not completed as at the date of this announcement.

B9. Status of Utilisation of Proceeds from Public Issue

MyEG was listed on January 16, 2007. The utilisation of gross proceeds of RM14,025,000 from the public issue by the Group as at December 31, 2007 are as follow:

Purpose	Proposed Amount RM'000	Actual Utilisation RM'000	Balance RM'000	%	To Be Used By FYE	Note
Capital Expenditure	10,841	6,167	4,674	43.1	2008	
Working capital	1,384	1,382	2	0.0	2007	*
Listing expenses	1,800	1,802	(2)	0.0	2007	*
	14,025	9,351	4,674			

* In view that the actual listing expenses were higher than estimated, the deficit had been funded out of proceeds allocated for working capital.

B10. Group Borrowings

Details of the Group's borrowings as at December 31, 2007 are as follows:-

	Current (RM'000)	Non-Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	168	245	413
Term Loan	960	4,800	5,760
Total Borrowings	<u>1,128</u>	<u>5,045</u>	<u>6,173</u>

The borrowings are denominated in RM.

B11. Off Balance Sheet Financial Instruments

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

B12. Material Litigations

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

B13. Dividends

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

B14. 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 31.12.2007 (RM'000)	Current Year To Date 31.12.2007 (RM'000)
Net profit attributable to ordinary shareholders	3,726	6,479
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	185,258	155,754
Basic EPS (sen)	2.0	4.2

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
22 February 2008