



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

**THIRD QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

**Condensed Consolidated Income Statement**  
**For the Third Quarter ended March 31, 2008**  
**(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2008 (RM'000)	Preceding Year Corresponding Quarter 31.3.2007 (RM'000)	Current Year To Date 31.3.2008 (RM'000)	Preceding Year Corresponding Period 31.3.2007 (RM'000)
Revenue	13,732	7,035	34,972	18,077
Operating expenses	8,940	4,426	22,490	12,291
Operating Profit before	4,792	2,609	12,482	5,786
Depreciation and amortization	625	359	1,697	977
Finance Costs	117	12	338	29
Other Income	149	28	259	28
Profit before Taxation	4,199	2,266	10,706	4,808
Taxation	14	8	41	26
Net Profit for the period	4,185	2,258	10,665	4,782
Attributable to:				
Shareholders of the Company	4,187	2,257	10,666	4,762
Minority Interest	(2)	1	(1)	20
Net Profit for the period	4,185	2,258	10,665	4,782
Weighted average number of shares ('000)	218,695	107,815	187,768	107,815
Gross Earnings per share ("EPS") (sen)	1.9	2.1	5.7	4.4
Net EPS (sen)	1.9	2.1	5.7	4.4
Effective Tax Rate (%)	0.33%	0.35%	0.38%	0.54%

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 March 31 2008**

	<b>Unaudited As at end of Current Quarter 31.3.2008 RM'000</b>	<b>Audited As at 30.6.2007 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Development costs	6,729	5,527
Equipment	10,378	8,658
Goodwill on consolidation	12,022	2,601
	29,129	16,786
<b>CURRENT ASSETS</b>		
Trade receivables	2,212	1,376
Other receivables and deposits	10,890	4,751
Cash and bank balances	11,642	15,681
	24,744	21,808
	53,873	38,594
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	25,250	12,625
Share Premium	-	9,673
Retained profits	19,998	14,130
	45,248	36,428
<b>SHAREHOLDERS' EQUITY</b>	45,248	36,428
<b>MINORITY INTERESTS</b>	86	87
	45,334	36,515
<b>TOTAL EQUITY</b>		
<b>NON-CURRENT LIABILITY</b>		
Deferred taxation	7	8
Hire Purchase	201	331
Term Loan	4,560	-
	4,768	339
<b>CURRENT LIABILITIES</b>		
Trade payables	1,124	842
Other payables and accruals	1,507	701
Provision for taxation	9	36
Short term borrowings	1,131	161
	3,771	1,740
	8,539	2,079
<b>TOTAL LIABILITIES</b>	8,539	2,079
<b>TOTAL EQUITY AND LIABILITIES</b>	53,873	38,594
Net assets attributable to ordinary equity holders of the parent (RM'000)	45,248	36,428
Net assets per share attributable to ordinary equity holders of the parent (sen)	17.9	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**  
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**Condensed Consolidated Statement of Changes in Equity**  
**For the Third Quarter ended March 31, 2008**  
**(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
<b>As at 30 June 2007</b>	<b>12,625</b>	<b>9,673</b>	<b>14,130</b>	<b>87</b>	<b>36,515</b>
As at 1 July 2007	12,625	9,673	14,130	87	36,515
Profit After Tax For The Financial Period	-	-	10,666	(1)	10,665
Bonus Issue	12,625	(9,577)	(3,048)	-	-
Bonus Issue Expenses	-	(96)	-	-	(96)
Dividend Payable	-	-	(1,750)	-	(1,750)
<b>As at 31 March 2008</b>	<b>25,250</b>	<b>-</b>	<b>19,998</b>	<b>86</b>	<b>45,334</b>

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 Third Quarter ended March 31, 2008**  
**(The figures have not been audited)**

	<b>Current Year To Date Ended 31.3.2008 (RM'000)</b>	<b>Corresponding Year To Date Ended 31.3.2007 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,706	4,808
Adjustments for:-		
Amortisation of development costs	228	213
Depreciation of equipment	1,421	764
Interest Expense	338	29
Fixed asset written off	48	-
Operating profit before working capital changes	12,741	5,814
Increase in trade and other receivables	(6,868)	(4,360)
Increase/(Decrease) in trade and other payables	734	(429)
<b>CASH FLOWS FROM OPERATIONS</b>	<b>6,607</b>	<b>1,025</b>
Income tax paid	(71)	(48)
Interest paid	(338)	(29)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>6,198</b>	<b>948</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of equipment	(2,448)	(2,628)
Additions of development costs	(1,430)	(950)
Investment in subsidiary, net of cash acquired	(10,009)	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(13,887)</b>	<b>(3,578)</b>
<b>CASH FOR FINANCING ACTIVITIES</b>		
Repayment of term loan	(480)	(29)
Drawdown of term loan	6,000	-
Repayment of hire purchase obligations	(120)	(89)
Drawdown of hire purchase loan	-	620
(Repayment to)/Advances from a director	-	(9)
Payment of Dividend	(1,750)	-
Proceeds from issue of new shares	-	14,025
IPO expenses	-	(1,802)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>3,650</b>	<b>12,716</b>
<b>NET DECREASE IN CASH AND BANK BALANCES</b>	<b>(4,039)</b>	<b>10,086</b>
<b>CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>15,681</b>	<b>2,277</b>
<b>CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD</b>	<b>11,642</b>	<b>12,363</b>

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.

**MY E.G. SERVICES BERHAD**  
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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 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 31.3.2008, the Group has commitment for the following:-

	<b>RM'000</b>
Purchase of multi purpose kiosks	<u>809</u>

## A15. Related Party Transactions

<b>Related Transacting Parties</b>	<b>Related Parties and Relationship</b>
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 31.3.2008 are as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM	RM	RM	RM
Rental of Premises	27,750	-	83,250	-
Professional Fees	20,250	-	60,750	-
Total	<u>48,000</u>	-	<u>144,000</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 RM13.7 million and RM4.2 million respectively for the third financial quarter ("Q3 FY2008") as compared to RM7.0 million and RM2.3 million respectively in the corresponding quarter ("Q3 FY2007"). This represents an increase of RM6.7 million (or 95%) and RM1.9 million (or 85%) in Revenue and PAT respectively.

For the year to date period ended 31 March 2008 ("9M FY2008"), the Group recorded Revenue and PAT of RM35.0 million and RM10.7 million respectively as compared to RM18.1 million and RM4.8 million respectively in the corresponding period ("9M FY2007"). This represents an increase of RM16.9 million (or 93%) and RM5.9 million (or 123%) in Revenue and PAT respectively.

The increases in Revenue and PAT for both Q3 FY2008 and 9M FY2008 over the corresponding periods in FY2007 are primarily attributable to:

- i) the contribution from our newly acquired subsidiary, mySPEED.com Sdn Bhd ("SPEED") with effect from July 1, 2007 (which impacted both the Q3 FY2008 and 9M 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 9M FY2008 period.

Total operating expenses was:

- i) RM8.9 million in Q3 FY2008 as compared to RM4.4 million in Q3 FY2007; and
- ii) RM22.5 million in 9M FY2008 as compared RM12.3 million in 9M FY2007

The increase is consistent with the increase in revenue for both the respective periods. In addition, operating overheads also increased in both the Q3 FY2008 and 9M 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 RM0.6 million in Q3 FY2008 as compared to RM0.4 million in Q3 FY2007
- ii) amounted to RM1.7 million in 9M FY2008 as compared to RM1.0 million in 9M FY2007 due to the increase in capital expenditure from the proceeds of the public issue.

Finance costs also increased from

- i) RM12,000 in Q3 FY2007 to RM117,000 in Q3 FY2008; and
- ii) RM29,000 in 9M FY2007 to RM338,000 in 9M FY2008

as a result of the increase in borrowings (primarily due to the drawdown of the RM6.0 million Term Loan facility utilised for partially financing the acquisition of SPEED).

### B2. Comparison with Preceding Quarter's Results

	Q3 FY2008 RM'000	Q2 FY2008 RM'000
Revenue	13,732	11,553
Profit Before Tax ("PBT")	4,199	3,740
Profit After Tax ("PAT")	4,185	3,727



For the Quarter under review, the Group recorded revenue of RM13.7 million representing an increase of 18.9% as compared to Q2 FY2008 revenue of RM11.6 million. PAT increased correspondingly to RM4.2 million, an increase of 12.3% as compared to Q2 FY2008 PAT of RM3.7 million. The increases 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 i.e online renewal of Road Tax for vehicles was launched in April 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:

	<b>Current Year Quarter 31.3.2008 (RM'000)</b>	<b>Current Year To Date 31.3.2008 (RM'000)</b>
Current period	14	41

The effective tax rate for the current financial quarter and cumulative year to date is 0.33% and 0.38% 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 March 31, 2008 were as follow:

<b>Purpose</b>	<b>Proposed Amount RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance RM'000</b>	<b>%</b>	<b>To Be Used By FYE</b>	<b>Note</b>
Capital Expenditure	10,841	7,146	3,695	34.1	2008	
Working capital	1,384	1,382	2	0.0	2007	*
Listing expenses	1,800	1,802	(2)	0.0	2007	*
	<b>14,025</b>	<b>10,330</b>	<b>3,695</b>			

\* 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 March 31, 2008 were as follows:-

	<b>Current (RM'000)</b>	<b>Non-Current (RM'000)</b>	<b>Total (RM'000)</b>
<b>Secured</b>			
Hire Purchase	171	201	372
Term Loan	960	4,560	5,520
Total Borrowings	<u>1,131</u>	<u>4,761</u>	<u>5,892</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.

	<b>Current Year Quarter 31.3.2008 (RM'000)</b>	<b>Current Year To Date 31.3.2008 (RM'000)</b>
Net profit attributable to ordinary shareholders	4,187	10,666
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	218,695	187,768
Basic EPS (sen)	1.9	5.7

### 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  
23 May 2008