



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

**FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008**

**Condensed Consolidated Income Statement**  
**For the First Quarter ended September 30, 2008**  
**(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2008 (RM'000)	Preceding Year Corresponding Quarter 30.9.2007 (RM'000)	Current Year To Date 30.9.2008 (RM'000)	Preceding Year Corresponding Period 30.9.2007 (RM'000)
Revenue	12,243	9,023	12,243	9,023
Operating expenses	(7,055)	(5,695)	(7,055)	(5,695)
Operating Profit	5,188	3,328	5,188	3,328
Depreciation and amortization	(892)	(526)	(892)	(526)
Finance Costs	(145)	(90)	(145)	(90)
Other Income	47	54	47	54
Profit before Taxation	4,198	2,766	4,198	2,766
Taxation	(47)	(13)	(47)	(13)
Net Profit for the period	4,151	2,753	4,151	2,753
Attributable to:				
Shareholders of the Company	4,161	2,752	4,161	2,752
Minority Interest	(10)	1	(10)	1
Net Profit for the period	4,151	2,753	4,151	2,753
Number of shares in issue ('000)	252,500	126,250	252,500	126,250
Gross Earnings per share ("EPS") (sen)	1.6	2.2	1.6	2.2
Net EPS (sen)	1.6	2.2	1.6	2.2
Effective Tax Rate	1.12%	0.47%	1.12%	0.47%

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2008 and the accompanying notes to the Interim Financial Statements.

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**Condensed Consolidated Balance Sheet**  
**As at September 30, 2008**

	<b>Unaudited As at end of Current Quarter 30.9.2008 RM'000</b>	<b>Audited As at 30.6.2008 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Development costs	6,984	7,009
Equipment	20,657	17,479
Goodwill on consolidation	12,022	12,022
	39,663	36,510
<b>CURRENT ASSETS</b>		
Trade receivables	1,439	1,415
Other receivables, deposits and prepayments	10,080	8,814
Tax recoverable	9	9
Cash and bank balances	11,786	11,269
	23,314	21,507
<b>TOTAL ASSETS</b>	62,977	58,017
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	25,250	25,250
Retained profits	28,271	24,110
<b>SHAREHOLDERS' EQUITY</b>	53,521	49,360
<b>MINORITY INTERESTS</b>	70	80
<b>TOTAL EQUITY</b>	53,591	49,440
<b>NON-CURRENT LIABILITY</b>		
Deferred taxation	6	7
Hire Purchase	1,327	761
Term Loan	4,080	4,320
	5,413	5,088
<b>CURRENT LIABILITIES</b>		
Trade payables	1,202	1,113
Other payables and accruals	1,013	900
Provision for taxation	53	13
Short term borrowings	1,705	1,463
	3,973	3,489
<b>TOTAL LIABILITIES</b>	9,386	8,577
<b>TOTAL EQUITY AND LIABILITIES</b>	62,977	58,017
Net assets attributable to ordinary equity holders of the parent (RM'000)	53,521	49,360
Net assets per share attributable to ordinary equity holders of the parent (sen)	21.2	19.5

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2008 and the accompanying notes to the Interim Financial Statements.

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**Condensed Consolidated Statement of Changes in Equity**  
**For the First Quarter ended September 30, 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 2007	12,625	9,673	14,130	87	36,515
Profit After Tax For The Financial Period	-	-	2,752	1	2,753
As at 30 September 2007	<b>12,625</b>	<b>9,673</b>	<b>16,882</b>	<b>88</b>	<b>39,268</b>
<hr/>					
As at 1 July 2008	25,250	-	24,110	80	49,440
Profit After Tax For The Financial Period	-	-	4,161	(10)	4,151
As at 30 September 2008	<b>25,250</b>	<b>-</b>	<b>28,271</b>	<b>70</b>	<b>53,591</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 2008 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 First Quarter ended September 30, 2008**  
(The figures have not been audited)

	<b>Current Year To Date Ended 30.9.2008 (RM'000)</b>	<b>Corresponding Year To Date Ended 30.9.2007 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,198	2,766
Adjustments for:-		
Amortisation of development costs	164	76
Depreciation of equipment	728	450
Interest Expense	145	90
Interest Income	(47)	(54)
Operating profit before working capital changes	5,188	3,328
Increase in trade and other receivables	(1,289)	(522)
Increase/(Decrease) in trade and other payables	201	415
<b>CASH FLOWS FROM OPERATIONS</b>	<b>4,100</b>	<b>3,221</b>
Income tax paid	(8)	-
Interest paid	(145)	(90)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,947</b>	<b>3,131</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of equipment	(3,906)	(811)
Additions of development costs	(139)	(76)
Investment in subsidiary, net of cash acquired	-	(10,009)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(4,045)</b>	<b>(10,896)</b>
<b>CASH FOR FINANCING ACTIVITIES</b>		
Drawdown of term loan	-	6,000
Repayment of term loan	(240)	-
Drawdown of hire purchase loan	1,050	-
Repayment of hire purchase obligations	(242)	(39)
Interest income	47	54
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>615</b>	<b>6,015</b>
<b>NET DECREASE IN CASH AND BANK BALANCES</b>	<b>517</b>	<b>(1,750)</b>
<b>CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>11,269</b>	<b>15,681</b>
<b>CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD</b>	<b>11,786</b>	<b>13,931</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2008 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 September 2008**

**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 2008.

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 2008.

**A2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the financial year ended 30 June 2008 was not qualified.

**A3. 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).

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group during the current financial quarter under review, that are unusual by reason of their nature, size or incidence.

**A5. Material Changes in Estimates**

Save as disclosed below, there were no changes in estimates of amounts reported in prior financial years, which have a material effect on the current quarter's results.

The following comparative figures have been re-classified for a fairer presentation on the financial statements:

	<u>As restated</u> Preceding Year Corresponding Quarter 30.9.2007 (RM'000)	<u>As previously reported</u> Preceding Year Corresponding Quarter 30.9.2007 (RM'000)	<u>As restated</u> Preceding Year Corresponding Period 30.9.2007 (RM'000)	<u>As previously reported</u> Preceding Year Corresponding Period 30.9.2007 (RM'000)
<u>Income Statement</u>				
Revenue	9,023	9,687	9,023	9,687
Operating Expenses	(5,695)	(6,359)	(5,695)	(6,359)

Due to the above changes the revenue and operating expenses for the financial quarter and year to date period ended 30 September 2008 will be reduced by RM7.4 million.

**A6. Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review.

**A7. Dividends Paid**

There were no dividends paid during the current financial quarter under review.

**A8. Segmental Information**

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

**A9. Valuation of Property, Plant and Equipment**

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

**A10. Subsequent Events**

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

**A11. Changes in the Composition of the Group**

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

#### A12. Contingent Liabilities

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

#### A13. Capital Commitments

As at 30.9.2008, the Group has commitment for the following:-

	<b>RM'000</b>
Purchase of multi purpose kiosks	<u>651</u>

#### A14. 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 and Period ended 30.9.2008 are as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM	RM	RM	RM
Rental of Premises	27,750	27,750	27,750	27,750
Professional Fees	20,250	20,250	20,250	20,250
Total	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>48,000</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 RM12.2 million and RM4.2 million respectively for the first financial quarter ("Q1 FY2009") and year to date period ended 30 September 2008 ("3M FY2009") as compared to RM9.0 million and RM2.8 million respectively in the corresponding quarter ("Q1 FY2008") and year to date period ended 30 September 2007 ("3M FY2008"). This represents an increase of RM3.2 million (or 36%) and RM1.4 million (or 50%) in revenue and PAT respectively.

The increase in revenue and PAT are primarily attributable to:

- i) the launched of our new Online Road Tax Renewal and its related services in April 2008 resulting in an increase in transaction volume and revenue due to the ongoing marketing campaign branding the company as the leading e-government service provider;
- ii) an increase in revenue from JPJ related services for theory test taking during Q1 FY2009 as compared to Q1 FY2008.

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

	Q1 FY2009 RM'000	Q4 FY2008 RM'000
Revenue	12,243	12,084
Profit Before Tax ("PBT")	4,198	4,119
PAT	4,151	4,106

For the Quarter under review, the Group recorded revenue of RM12.2 million representing an increase of 0.8% as compared to Q4 FY2008 revenue of RM12.1 million. PAT increased marginally to RM4.2 million, an increase of 2.4% as compared to Q4 FY2008 PAT of RM4.1 million.

### 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 2009 ("FYE 2009") will continue to be satisfactory as awareness of our existing services and brand name continues to increase while our new service, the Online Road Tax Renewal for vehicles which was launched in April 2008, will contribute to a full year of operations in FYE 2009.

### B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the financial year ending 30 June 2009.



## B5. Taxation

The taxation figures are as follows:

	<b>Current Quarter 30.9.2008 (RM'000)</b>	<b>Current Year To Date 30.9.2008 (RM'000)</b>
Current period	47	47

The effective tax rate for the current financial quarter and cumulative year to date is 1.12% 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

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, save as disclosed below:

- (i) On 30 September 2008, Kenanga Investment Bank Berhad ("KIBB"), on behalf of the board of MYEG had announced that the Company intends to undertake the following:
  - (a) private placement of up to 25,250,000 new MYEG Shares representing up to 10% of the issued and paid-up share capital of MYEG at an issue price to be determined by our Board at a later date;
  - (b) increase in the authorised share capital of MYEG from RM50,000,000 comprising 500,000,000 MYEG Shares to RM100,000,000 comprising 1,000,000,000 MYEG Shares;
  - (c) bonus issue of up to 333,300,000 new MYEG Shares to be credited as fully paid up on the basis of six (6) new MYEG Shares for every five (5) MYEG Shares held at a date to be determined later;
  - (d) amendments to the Articles of Association of MYEG; and
  - (e) transfer of the listing of and quotation for the enlarged issued and paid-up share capital of our Company from the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") to the Main Board of Bursa Securities.

The private placement exercise was approved by the Securities Commission of Malaysia ("SC") on 20 October 2008. On 31 October 2008, the placement of 20,705,000 new MYEG Shares at an issue price of RM0.82 per Share was completed and the Placement Shares were listed on the MESDAQ Market on the same day.

Following the Private Placement and as at the date of this announcement, the enlarged issued and paid-up share capital of our Company is RM27,320,500 comprising 273,205,000 MYEG Shares.

On 10 November 2008, KIBB announced on our behalf that the SC had, via its letter dated 4 November 2008, approved the Proposed Transfer and the lifting of moratorium on the promoters of MYEG.

On 13 November 2008, KIBB announced on our behalf that Bursa Malaysia had, via its letter dated 4 November 2008, approved the listing and quotation of 327,846,000 new MYEG Shares to be issued pursuant to the Proposed Bonus Issue. The Proposed Bonus Issue is subject to shareholders' approval in an Extraordinary General Meeting ("EGM") which will be held on 5 December 2008.

- (ii) On 5 November 2008, KIBB on behalf of the board of MYEG had announced that the Company intends to seek shareholders' approval for a Proposed Share Buyback of up to 10% of the Company's issued and paid-up ordinary share capital conditional upon the successful transfer to the Main Board. The Proposed Share Buyback is subject to shareholders' approval in an EGM which will be held on 5 December 2008

#### **B9. Group Borrowings**

Details of the Group's borrowings as at September 30, 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	745	1,327	2,072
Term Loan	960	4,080	5,040
Total Borrowings	<u>1,705</u>	<u>5,407</u>	<u>7,112</u>

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**

The Directors have proposed the declaration of a final tax exempt dividend for the financial year ended ("FYE") 30 June 2008 of 2 sen per 10 sen ordinary share (2007 – 0.693 sen) for the shareholders' approval at the forthcoming Annual General Meeting to be held on 5 December 2008.

The Directors have also declared an interim tax exempt dividend of 0.455 sen per 10 sen ordinary share (2008 – nil) payable on 23 February 2009 to shareholders registered at the close of business on 26 January 2009.

### B13. EPS

#### i. Basic

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

	<b>Current Year Quarter 30.9.2008 (RM'000)</b>	<b>Current Year To Date 30.9.2008 (RM'000)</b>
Net profit attributable to ordinary shareholders	4,161	4,161
Number of ordinary shares of RM0.10 each in issue ('000s)	252,500	252,500
Basic EPS (sen)	1.6	1.6

The basic EPS in the previous financial period has been restated to conform with the current period presentation as a result of the bonus issue during the financial period.

#### 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  
26 November 2008