



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 2008

Condensed Consolidated Income Statement
For the Second Quarter ended December 31, 2008
(The figures have not been audited)

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31.12.2008 (RM'000)	31.12.2007 (RM'000)	31.12.2008 (RM'000)	31.12.2007 (RM'000)
Revenue	13,247	10,599	25,490	19,622
Operating expenses	(7,474)	(6,239)	(14,529)	(11,933)
Operating Profit	5,773	4,360	10,961	7,689
Depreciation and amortization	(1,020)	(544)	(1,912)	(1,071)
Finance Costs	(141)	(131)	(286)	(220)
Other Income	112	55	159	110
Profit before Taxation	4,724	3,740	8,922	6,508
Taxation	(26)	(13)	(73)	(27)
Net Profit for the period	4,698	3,727	8,849	6,481
Attributable to:				
Shareholders of the Company	4,702	3,726	8,863	6,479
Minority Interest	(4)	1	(14)	2
Net Profit for the period	4,698	3,727	8,849	6,481
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	0.8	0.6	1.5	1.1
- Diluted EPS	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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 December 31, 2008

	Unaudited As at end of Current Quarter 31.12.2008 RM'000	Audited As at 30.6.2008 RM'000
ASSETS		
NON-CURRENT ASSETS		
Development costs	7,041	7,009
Equipment	24,141	17,479
Goodwill on consolidation	12,022	12,022
	43,204	36,510
CURRENT ASSETS		
Trade receivables	2,461	1,415
Other receivables, deposits and prepayments	9,271	8,814
Tax recoverable	9	9
Cash and bank balances	23,211	11,269
	34,952	21,507
TOTAL ASSETS	78,156	58,017
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	60,105	25,250
Retained profits	9,232	24,110
SHAREHOLDERS' EQUITY	69,337	49,360
MINORITY INTERESTS	66	80
TOTAL EQUITY	69,403	49,440
NON-CURRENT LIABILITY		
Deferred taxation	6	7
Hire Purchase	1,146	761
Term Loan	3,840	4,320
	4,992	5,088
CURRENT LIABILITIES		
Trade payables	1,204	1,113
Other payables and accruals	810	900
Provision for taxation	63	13
Short term borrowings	1,684	1,463
	3,761	3,489
TOTAL LIABILITIES	8,753	8,577
TOTAL EQUITY AND LIABILITIES	78,156	58,017
Net assets attributable to ordinary equity holders of the parent (RM'000)	69,337	49,360
Net assets per share attributable to ordinary equity holders of the parent (sen)	11.5	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.

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, 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	-	-	6,479	2	6,481
Bonus Issue	12,625	(9,577)	(3,048)	-	-
Bonus Issue Expenses	-	(96)	-	-	(96)
Dividends Paid	-	-	(1,750)	-	(1,750)
As at 31 December 2007	25,250	-	15,811	89	41,150
As at 1 July 2008	25,250	-	24,110	80	49,440
Profit After Tax For The Financial Period	-	-	8,863	(14)	8,849
Issue of New Ordinary Shares	2,070	14,908	-	-	16,978
Bonus Issue	32,785	(14,508)	(18,277)	-	-
Bonus Issue/Share Issue Expenses	-	(400)	-	-	(400)
Dividends Paid	-	-	(5,464)	-	(5,464)
As at 31 December 2008	60,105	-	9,232	66	69,403

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 Second Quarter ended December 31, 2008
(The figures have not been audited)

	Current Year To Date Ended 31.12.2008 (RM'000)	Corresponding Year To Date Ended 31.12.2007 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,922	6,508
Adjustments for:-		
Amortisation of development costs	328	153
Depreciation of equipment	1,584	918
Fixed asset written off		2
Interest Expense	286	220
Interest Income	(159)	-
	<hr/>	<hr/>
Operating profit before working capital changes	10,961	7,801
Increase in trade and other receivables	(1,503)	(2,573)
Increase/(Decrease) in trade and other payables	1	469
	<hr/>	<hr/>
CASH FLOWS FROM OPERATIONS	9,459	5,697
Income tax paid	(25)	-
Interest paid	(286)	(220)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	9,148	5,477
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(8,246)	(1,343)
Additions of development costs	(359)	(565)
Investment in subsidiary, net of cash acquired	-	(10,009)
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(8,605)	(11,917)
CASH FOR FINANCING ACTIVITIES		
Drawdown of term loan	-	6,000
Repayment of term loan	(480)	(240)
Drawdown of hire purchase loan	1,050	-
Repayment of hire purchase obligations	(444)	(79)
Proceed from issue of new shares	16,978	-
Bonus issue/share issue expenses	(400)	-
Dividend Paid	(5,464)	-
Interest income	159	-
	<hr/>	<hr/>
NET CASH FOR FINANCING ACTIVITIES	11,399	5,681
	<hr/>	<hr/>
NET DECREASE IN CASH AND BANK BALANCES	11,942	(759)
	<hr/>	<hr/>
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	11,269	15,681
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CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	23,211	14,922
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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 2008 and the accompanying notes to the Interim Financial Statements.

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Notes To The Interim Financial Report For The Financial Period Ended 31 December 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 Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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 31.12.2007 (RM'000)	<u>As previously reported</u> Preceding Year Corresponding Quarter 31.12.2007 (RM'000)	<u>As restated</u> Preceding Year Corresponding Period 31.12.2007 (RM'000)	<u>As previously reported</u> Preceding Year Corresponding Period 31.12.2007 (RM'000)
<u>Income Statement</u>				
Revenue	10,599	11,553	19,622	21,240
Operating Expenses	(6,239)	(7,193)	(11,933)	(13,551)

Due to the above changes the revenue and operating expenses for the financial quarter and year to date period ended 31 December 2008 were reduced by RM10.0 million and RM17.4 million respectively.

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

The amount of dividends paid during the financial period ended 31 December 2008 was as follow:

i) In respect of the financial year ended 30 June 2008	<u>RM'000</u>
a) First and final tax-exempt dividend of 2 sen per ordinary share of RM0.10 (2007 - 0.693 sen)	<u>5,464</u>

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 31.12.2008, the Group has commitment for the following:-

	RM'000
Purchase of multi purpose kiosks	<u>913</u>

A14. 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 and Period ended 31.12.2008 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2008 RM	31.12.2007 RM	31.12.2008 RM	31.12.2007 RM
Rental of Premises	27,750	27,750	55,500	55,500
Professional Fees	20,250	20,250	40,500	40,500
Total	<u>48,000</u>	<u>48,000</u>	<u>96,000</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 5, 2008.

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 RM13.2 million and RM4.7 million respectively for the second financial quarter ("Q2 FY2009") as compared to RM10.6 million and RM3.7 million respectively in the corresponding quarter ("Q2 FY2008"). This represents an increase of approximately RM2.6 million (or 24.5%) and RM1.0 million (or 27.0%) in revenue and PAT respectively.

For the year to date period ended 31 December 2008 ("6M FY2009"), the Group recorded revenue and PAT of RM25.5 million and RM8.8 million respectively as compared to RM19.6 million and RM6.5 million respectively in the corresponding period (6M FY2008"). This represents an increase of approximately RM5.9 million (or 30.1%) and RM2.3 million (or 35.4%) 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;
- ii) an increase in revenue from JPJ related services for theory test taking during Q2 FY2009 as compared to Q2 FY2008.

B2. Comparison with Preceding Quarter's Results

	Q2 FY2009 RM'000	Q1 FY2009 RM'000
Revenue	13,247	12,243
Profit Before Tax ("PBT")	4,724	4,198
PAT	4,698	4,151

For the Quarter under review, the Group recorded revenue of RM13.2 million representing an increase of 8.2% as compared to Q1 FY2009 revenue of RM12.2 million. PAT increased to RM4.7 million, an increase of 11.9% as compared to Q1 FY2009 PAT of RM4.2 million. The increase is primarily attributable to increased transactions from the Online Road Tax Renewal and higher volume from JPJ related services for theory test taking in Q2 FY2009 as compared to the preceding quarter.

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:

	Current Quarter 31.12.2008 (RM'000)	Current Year To Date 31.12.2008 (RM'000)
Current period	26	73

The effective tax rate for the current financial quarter and cumulative year to date is 0.55% and 0.82% 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

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 Private Placement

On 30 October 2008, the Company had completed its private placement of 20,705,000 new ordinary shares of RM0.10 each, which have been listed and quoted on the MESDAQ Market of Bursa Malaysia Securities Berhad on 31 October 2008.

The utilisation of gross proceeds of RM16,978,100 from the private placement by the Company as at December 31, 2008 are as follow:

Purpose	Proposed Amount RM'000	Actual Utilisation RM'000	Balance RM'000	%	Expected Timeframe To Be Used ⁽²⁾
Capital Expenditure	7,900	3,975	3,925	49.7	24 Months
Advertising, Marketing and Promotion Expenses	3,685 ⁽¹⁾	420	3,265	88.6	24 Months
Working Capital	4,993	4,993	-	0.0	24 Months
Bonus Issue/Share Issue Expenses	400	400	-	0.0	6 Months
	16,978	9,788	7,190		

(1) In view that the actual the actual proceeds received is less than RM19.44 million, the difference was adjusted against the proceeds earmarked for advertising, marketing and promotional purposes.

(2) From the date of full receipt of the gross proceeds on 3 November 2008 pursuant to the completion of the Private Placement.

B10. Group Borrowings

Details of the Group's borrowings as at December 31, 2008 were as follows:-

	Current (RM'000)	Non-Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	724	1,146	1,870
Term Loan	960	3,840	4,800
Total Borrowings	<u>1,684</u>	<u>4,986</u>	<u>6,670</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

On 26 November 2008, the Directors have declared a first interim tax exempt dividend of 0.455 sen per 10 sen ordinary share (2008 – nil) amounting to RM2,734,781 for the current financial year ending 30 June 2009, which has been paid on 23 February 2009 to shareholders registered at the close of business on 28 January 2009.

On 26 February 2009, the Directors have declared a second interim tax exempt dividend of 0.455 sen per 10 sen ordinary share (2008 – nil) amounting to RM2,734,781 for the current financial year ending 30 June 2009, payable on 22 May 2009 to shareholders registered at the close of business on 23 April 2009.

B14. EPS

i. Basic

The basic EPS is computed by dividing the net profit for the financial quarter and year to date periods by the number of ordinary shares in issue during the period.

	Current Year Quarter 31.12.2008 (RM'000)	Current Year To Date 31.12.2008 (RM'000)
Net profit attributable to ordinary shareholders	4,702	8,863
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	594,074	587,210
Basic EPS (sen)	0.8	1.5

The basic EPS in the previous financial period has been restated to conform with the current period's 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 February 2009