



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 2010

Condensed Consolidated Income Statement
For the Third Quarter ended March 31, 2010
(The figures have not been audited)

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31.03.2010 (RM'000)	31.03.2009 (RM'000)	31.03.2010 (RM'000)	31.03.2009 (RM'000)
Revenue	16,558	13,221	44,996	38,711
Operating expenses	(9,266)	(7,853)	(25,802)	(22,382)
Operating Profit	7,292	5,368	19,194	16,329
Depreciation and amortization	(1,281)	(1,059)	(3,725)	(2,971)
Finance Costs	(147)	(131)	(401)	(417)
Other Income	33	66	124	226
Share of result of an associate	(40)	-	(40)	-
Profit before Taxation	5,857	4,244	15,152	13,167
Taxation	(39)	(42)	(126)	(116)
Net Profit for the period	5,818	4,202	15,026	13,051
Attributable to:				
Shareholders of the Company	5,818	4,212	15,046	13,075
Minority Interest	-	(10)	(20)	(24)
Net Profit for the period	5,818	4,202	15,026	13,051
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	1.0	0.7	2.5	2.2
- 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 2009 and the accompanying notes to the Interim Financial Statements.

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Condensed Consolidated Balance Sheet
As at March 31, 2010

	Unaudited As at end of Current Quarter 31.03.2010 RM'000	Audited As at 30.6.2009 RM'000
ASSETS		
NON-CURRENT ASSETS		
Development costs	10,011	8,732
Equipment	36,780	33,595
Investment in associate	-	-
Goodwill on consolidation	12,016	12,022
	58,807	54,349
CURRENT ASSETS		
Trade receivables	5,131	2,395
Other receivables, deposits and prepayments	8,701	9,374
Tax recoverable	-	9
Amount due from associate company	2,829	-
Cash and bank balances	17,756	14,560
	34,417	26,338
TOTAL ASSETS	93,224	80,687
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	60,105	60,105
Treasury shares	(77)	-
Retained profits	21,674	9,362
SHAREHOLDERS' EQUITY	81,702	69,467
MINORITY INTERESTS	-	46
TOTAL EQUITY	81,702	69,513
NON-CURRENT LIABILITY		
Deferred taxation	-	6
Hire Purchase	2,184	707
Term Loan	2,640	3,360
	4,824	4,073
CURRENT LIABILITIES		
Trade payables	2,600	1,376
Other payables and accruals	1,307	1,236
Dividend payable	-	2,735
Provision for taxation	5	52
Short term borrowings	2,786	1,702
	6,698	7,101
TOTAL LIABILITIES	11,522	11,174
TOTAL EQUITY AND LIABILITIES	93,224	80,687
Net assets attributable to ordinary equity holders of the parent (RM'000)	81,702	69,467
Net assets per share attributable to ordinary equity holders of the parent (sen)	13.6	11.6

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2009 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 Third Quarter ended March 31, 2010
(The figures have not been audited)

	← Attributable to Equity Holders of the Company →			Distributable Retained Profits (RM'000)	Minority Interest (RM'000)	Total Equity (RM'000)
	Share capital (RM'000)	Share Premium (RM'000)	Treasury Shares (RM'000)			
As at 1 July 2008	25,250	-	-	24,110	80	49,440
Profit After Tax For The Financial Period	-	-	-	13,075	(24)	13,051
Issue of New Ordinary Shares	2,070	14,908	-	-	-	16,978
Bonus Issue	32,785	(14,508)	-	(18,277)	-	-
Bonus Issue Expenses	-	(400)	-	-	-	(400)
Dividends Paid	-	-	-	(8,199)	-	(8,199)
As at 31 March 2009	60,105	-	-	10,709	56	70,870
As at 1 July 2009	60,105	-	-	9,362	46	69,513
Purchase of Treasury Shares	-	-	(77)	-	-	(77)
Disposal of a subsidiary	-	-	-	-	(26)	(26)
Profit After Tax For The Financial Period	-	-	-	15,046	(20)	15,026
Dividends Paid	-	-	-	(2,734)	-	(2,734)
As at 31 March 2010	60,105	-	(77)	21,674	-	81,702

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 2009 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, 2010
(The figures have not been audited)

	Current Year To Date Ended 31.03.2010 (RM'000)	Corresponding Year To Date Ended 31.03.2009 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,152	13,167
Adjustments for:-		
Amortisation of development costs	580	492
Depreciation of equipment	3,145	2,479
Fixed asset written off	12	-
Share of losses in associate company	40	-
Interest Expense	401	417
Interest income	(120)	(226)
Operating profit before working capital changes	19,210	16,329
Increase in trade and other receivables	(2,090)	(1,780)
Increase in trade and other payables	1,305	787
CASH FLOWS FROM OPERATIONS	18,425	15,336
Income tax paid	(174)	(61)
Interest paid	(401)	(417)
NET CASH FROM OPERATING ACTIVITIES	17,850	14,858
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(6,378)	(14,796)
Additions of development costs	(1,859)	(1,583)
Investment in associate company	(40)	-
Disposal of a subsidiary	38	-
NET CASH FOR INVESTING ACTIVITIES	(8,239)	(16,379)
CASH FOR FINANCING ACTIVITIES		
Repayment of term loan	(720)	(720)
Drawdown of hire purchase loan	3,776	1,050
Repayment of hire purchase obligations	(1,215)	(652)
Amount due from associate	(2,829)	-
Purchase of treasury shares	(77)	-
Proceed from issue of new shares	-	16,978
Bonus issue/share issue expenses	-	(400)
Dividend Paid	(5,470)	(8,199)
Interest income	120	226
NET CASH FOR FINANCING ACTIVITIES	(6,415)	8,283
NET DECREASE IN CASH AND BANK BALANCES	3,196	6,762
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	14,560	11,269
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	17,756	18,031

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2009 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 31 March 2010

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 Main Market 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 2009.

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 2009.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2009 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

There were no changes in estimates of amounts reported in prior financial years, which have a material effect on the current quarter’s results.

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, saved as disclosed below:

- i) On 16 March 2010, the Company had purchased a total of 85,800 of its issued share capital ("MYEG shares") from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM36,120 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965.
- ii) On 18 March 2010, the Company had purchased a total of 100,000 of its issued share capital ("MYEG shares") from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM41,803 and was financed from internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965.

As at the date of this report, the total shares bought back amounted to 185,900 MYEG shares. None of the treasury held were resold or cancelled during the financial period ended 31 March 2010.

A7. Dividends Paid

On 29 May 2009, the company declared the third tax-exempt dividend of 0.455 sen per ordinary share of RM0.10 (2008 - nil) amounting to RM2,734,781 in respect of the financial year ended 30 June 2009 and it was paid on 24 August 2009.

On 17 November 2009, the company declared a final tax-exempt dividend of 0.455 sen per ordinary share of RM0.10 (2008 - nil) amounting to RM2,734,781 in respect of the financial year ended 30 June 2009 and it was paid on 31 December 2009.

On 25 February 2010, the company declared a first tax-exempt dividend of 0.5 sen per ordinary share of RM0.10 (2009 – 0.91 sen) amounting to RM3,003,575 in respect of the financial year ending 30 June 2010 and it was paid on 21 May 2010.

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

(i) Investment in a new associate company

On 17 December 2009, the Company subscribed for 4 ordinary shares of RM1.00 each representing 40% of the issued and paid-up share capital of MY EG Intergrated Networks Sdn Bhd ("MINT") for a total cash consideration of RM4.00, thus making MINT an associate company of MYEG.

On 9 April 2010, the Company subscribed for an additional 39,996 ordinary shares of RM1.00 each in the enlarged issued and paid-up capital of MINT at a total cash consideration of RM39,996, thereby increasing the Company's shareholding in MINT of 4 ordinary shares to 40,000 ordinary shares of RM1.00 each, representing 40% of the issued and paid-up share capital.

(ii) Disposal of a subsidiary company

On 23 February 2010, the Company had completed the disposal of 54 ordinary shares of RM1.00 each representing 54.5% of the issued and paid-up share capital of PDX.Net Sdn Bhd ("PNSB") to Berani Jitu Sdn Bhd for a total cash consideration of RM40,000.

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

There were no material contingent liabilities since the last annual balance sheet date.

A14. Related Party Transactions

Related Transacting Parties	Related Parties and Relationship
Embunaz Ventures Sdn Bhd ("Embunaz")	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 31.03.2010 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.03.2010 RM	31.03.2009 RM	31.03.2010 RM	31.03.2009 RM
Rental of Premises	-	27,750	55,500	83,250
Professional Fees	48,000	20,250	88,500	60,750
Total	48,000	48,000	144,000	144,000

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.

Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad

B1. Performance of the Group

The Group posted revenue and profit after taxation ("PAT") of RM16.56 million and RM5.82 million respectively for the third financial quarter ("Q3 FY2010") as compared to RM13.22 million and RM4.20 million respectively in the corresponding quarter ("Q3 FY2009"). This represents an increase of approximately RM3.34 million (or 25.3%) and RM1.62 million (or 38.6%) in revenue and PAT respectively.

For the year to date period ended 31 March 2010 ("9M FY2010"), the Group recorded revenue and PAT of RM45.0 million and RM15.03 million respectively as compared to RM38.71 million and RM13.05 million respectively in the corresponding period ("9M FY2009"). This represents an increase of approximately RM6.29 million (or 16.2%) and RM1.97 million (or 15.2%) in revenue and PAT respectively.

The increase in revenue and PAT are primarily attributable to an overall increase in volume from all segment of services due to the ongoing marketing campaign which has enhanced MYEG's brand name. However, this was offset by the increase in marketing expenses as well as an increase in personnel related costs.

B2. Comparison with Preceding Quarter's Results

	Q3 FY2010 RM'000	Q2 FY2010 RM'000
Revenue	16,558	14,840
Profit Before Tax ("PBT")	5,857	4,777
PAT	5,818	4,737

For the Quarter under review, the Group recorded revenue of RM16.56 million, an increase of RM1.72 million as compared to Q2 FY2010 revenue. PAT increased by 22.8% to RM5.82 million, as compared to Q2 FY2010 PAT of RM4.74 million. The increase in Revenue and PAT is primarily attributable an overall increase in volume from all segment of services due to the ongoing marketing campaign which has enhanced MYEG's brand name.

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 2010 ("FYE 2010") will continue to be satisfactory as awareness of our existing services and brand name continues to increase while new services would continue to be rolled out in FYE2010.

B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the financial year ended 30 June 2010.

B5. Taxation

The taxation figures are as follows:

	Current Quarter 31.03.2010 (RM'000)	Current Year To Date 31.03.2010 (RM'000)
Current period	39	126

The effective tax rate for the current financial quarter and cumulative year to date is 0.66% and 0.83% as compared to the statutory tax rate of 25%. 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 and subsequently transferred to the Main Board of Bursa Securities Berhad on 7 January 2009.

The utilisation of gross proceeds of RM16,978,100 from the private placement by the Company as at 31 March, 2010 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	7,900	-	0.0	24 Months
Advertising, Marketing and Promotion Expenses	3,685 ⁽¹⁾	3,685	-	0.0	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	16,978	-		

(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 31 March 2010 were as follows:-

	Current (RM'000)	Non-Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	1,826	2,184	4,010
Term Loan	960	2,640	3,600
Total Borrowings	<u>2,786</u>	<u>4,824</u>	<u>7,610</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 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 31.03.2010 (RM'000)	Current Year To Date 31.03.2010 (RM'000)
Net profit attributable to ordinary shareholders	5,818	15,046
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	601,051	601,051
Basic EPS (sen)	1.0	2.5

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

Lim Ming Toong
Secretary
27 May 2010