



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 2010

Condensed Consolidated Income Statement
For the First Quarter ended September 30, 2010
(The figures have not been audited)

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.9.2010 (RM'000)	30.9.2009 (RM'000)	30.9.2010 (RM'000)	30.9.2009 (RM'000)
Revenue	15,467	13,598	15,467	13,598
Operating expenses	(10,892)	(7,848)	(10,892)	(7,848)
Operating Profit	4,575	5,750	4,575	5,750
Depreciation and amortization	(1,642)	(1,181)	(1,642)	(1,181)
Finance Costs	(141)	(108)	(141)	(108)
Other Income	48	56	48	56
Profit before Taxation	2,840	4,517	2,840	4,517
Taxation	(39)	(47)	(39)	(47)
Net Profit for the period	2,801	4,470	2,801	4,470
Attributable to:				
Shareholders of the Company	2,801	4,480	2,801	4,480
Minority Interest	-	(10)	-	(10)
Net Profit for the period	2,801	4,470	2,801	4,470
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	0.5	0.7	0.5	0.7
- 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 2010 and the accompanying notes to the Interim Financial Statements.

MY E.G. SERVICES BERHAD
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Condensed Consolidated Balance Sheet
As at September 30, 2010

	Unaudited As at end of Current Quarter 30.9.2010 RM'000	Audited As at 30.6.2010 RM'000
ASSETS		
NON-CURRENT ASSETS		
Development costs	10,229	10,113
Equipment	40,507	39,995
Goodwill on consolidation	12,016	12,016
	62,752	62,124
CURRENT ASSETS		
Trade receivables	8,491	6,792
Other receivables, deposits and prepayments	8,499	10,325
Amount owing by an associate	8,411	7,522
Tax recoverable	23	17
Cash and bank balances	11,324	8,825
	36,748	33,481
TOTAL ASSETS	99,500	95,605
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	60,105	60,105
Treasury shares	(158)	(158)
Retained profits	27,297	24,496
TOTAL EQUITY	87,244	84,443
NON-CURRENT LIABILITY		
Hire Purchase	2,464	1,786
Term Loan	2,160	2,400
	4,624	4,186
CURRENT LIABILITIES		
Trade payables	1,800	1,422
Other payables and accruals	1,523	1,384
Deferred revenue	1,440	1,440
Provision for taxation	7	7
Short term borrowings	2,862	2,723
	7,632	6,976
TOTAL LIABILITIES	12,256	11,162
TOTAL EQUITY AND LIABILITIES	99,500	95,605
Net assets attributable to ordinary equity holders of the parent (RM'000)	87,244	84,443
Net assets per share attributable to ordinary equity holders of the parent (sen)	14.52	14.06

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

	← Attributable to Equity Holders of the Company →			Minority Interest	Total Equity
	Share capital (RM'000)	Treasury Shares (RM'000)	Distributable Retained Profits (RM'000)		
As at 1 July 2009	60,105	-	9,362	46	69,513
Profit After Tax For The Financial Period	-	-	4,480	(10)	4,470
As at 30 September 2009	60,105	-	13,842	36	73,983
As at 1 July 2010	60,105	(158)	24,496	-	84,443
Profit After Tax For The Financial Period	-	-	2,801	-	2,801
As at 30 September 2010	60,105	(158)	27,297	-	87,244

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 2010 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, 2010
(The figures have not been audited)

	Current Year To Date Ended 30.9.2010 (RM'000)	Corresponding Year To Date Ended 30.9.2009 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,840	4,517
Adjustments for:-		
Amortisation of development costs	220	164
Depreciation of equipment	1,422	1,017
Interest Expense	141	108
Interest income	(48)	(56)
Equipment Written Off	2	-
	<hr/>	<hr/>
Operating profit before working capital changes	4,577	5,750
Decrease/(Increase) in trade and other receivables	126	(2,599)
Increase/(Decrease) in trade and other payables	517	(228)
	<hr/>	<hr/>
CASH FLOWS FROM OPERATIONS	5,220	2,923
Income tax paid	(44)	(60)
Interest paid	(141)	(108)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	5,035	2,755
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(1,936)	(1,075)
Additions of development costs	(335)	(314)
Advances to Associate	(889)	-
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(3,160)	(1,389)
CASH FOR FINANCING ACTIVITIES		
Repayment of term loan	(240)	(240)
Drawdown of hire purchase loan	1,407	400
Repayment of hire purchase obligations	(591)	(195)
Dividend Paid	-	(2,735)
Interest income	48	56
	<hr/>	<hr/>
NET CASH FOR FINANCING ACTIVITIES	624	(2,714)
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NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	2,499	(1,348)
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CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	8,825	14,560
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CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	11,324	13,212
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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 2010 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 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 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 2010.

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 2010.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2010 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 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.

A7. Dividends Paid

No dividends were 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

There were no material capital commitments since the last annual balance sheet date.

A14. Related Party Transactions

The related party transactions of the Group for the Quarter and Period ended 30.9.2010 are as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM	RM	RM	RM
(i) Associate company				
MY E.G. Integrated Networks Sdn Bhd				
- Sales	600,000	-	600,000	-
(ii) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd				
- Rental of Premises	-	27,750	-	27,750
- Professional Fees	48,000	20,250	48,000	20,250
Total	48,000	48,000	48,000	48,000

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 RM15.47 million and RM2.80 million respectively for the first financial quarter ("Q1 FY2011") and year to date period ended 30 September 2010 ("3M FY2011") as compared to RM13.60 million and RM4.47 million respectively in the corresponding quarter ("Q1 FY2010") and year to date period ended 30 September 2009 ("3M FY2010").

The increase of RM1.87 million (13.8%) in Revenue is primarily attributable to the encouraging growth for our online renewal of insurance, road tax transactions and its related services.

However, PAT decreased by RM1.67 million (36.9%) primarily due to :

- i) higher marketing expenses due to MYEG's 2010 FIFA World Cup advertising campaign to further enhance MYEG's brand name; and
- ii) an increase in Direct Expenses consistent with the increase in revenue.

B2. Comparison with Preceding Quarter's Results

	Q1 FY2011	Q4 FY2010
	RM'000	RM'000
Revenue	15,467	17,098
Profit Before Tax ("PBT")	2,840	5,855
PAT	2,801	5,825

For the Quarter under review, the Group's revenue and PAT decreased by RM1.63 million and RM3.02 million respectively as compared to Q4 FY2010. The decrease in revenue and PAT is primarily attributable to seasonality factor where demand for JPJ new licences decreased in Q1 FY2011. In addition, PAT was also affected by an increase in marketing expenses due to the advertising campaign during the 2010 FIFA World Cup.

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 2011 ("FYE 2011") 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 FYE2011.

B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the financial year ended 30 June 2011.

B5. Taxation

The taxation figures are as follows:

	Current Quarter 30.09.2010 (RM'000)	Current Year To Date 30.09.2010 (RM'000)
Current period	39	39

The effective tax rate for the current financial quarter and cumulative year to date is 1.37% 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

On 9 November 2010, the Company proposed to establish and implement an employees' share option scheme ("Proposed ESOS") of up to ten percent (10%) of the issued and paid-up share capital of the Company at any point in time, for eligible executive and non-executive directors and eligible employees of the Company and its subsidiaries who meet the criteria of eligibility for participation in the Proposed ESOS.

This corporate proposal has not been completed as at the date of this announcement.

B9. Group Borrowings

Details of the Group's borrowings as at September 30, 2010 were as follows:-

	Current (RM'000)	Non-Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	1,902	2,464	4,366
Term Loan	960	2,160	3,120
Total Borrowings	<u>2,862</u>	<u>4,624</u>	<u>7,486</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

On 29 October 2010, the Directors have proposed the declaration of a final tax exempt dividend of 0.6 sen per 10 sen ordinary share (2009 – 0.455 sen) for the financial year ended 30 June 2010. The proposed dividend is subject to the approval of the shareholders at the forthcoming Tenth Annual General Meeting to be held on 23 December 2010.

The total tax exempt dividend declared for the financial year ended 30 June 2010 will amount to 1.10 sen per 10 sen ordinary share (2009 – 1.82 sen).

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

B13. 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 30.09.2010 (RM'000)	Current Year To Date 30.09.2010 (RM'000)
Net profit attributable to ordinary shareholders	2,801	2,801
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	600,679	600,679
Basic EPS (sen)	0.5	0.5

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

Tan Ai Ning
Secretary
26 November 2010