



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 2010

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31.12.2010 (RM'000)	31.12.2009 (RM'000)	31.12.2010 (RM'000)	31.12.2009 (RM'000)
Revenue	16,969	14,840	32,436	28,437
Operating expenses	(9,347)	(8,688)	(20,238)	(16,536)
Operating Profit	7,622	6,152	12,198	11,901
Depreciation and amortization	(1,683)	(1,263)	(3,325)	(2,444)
Finance Costs	(131)	(146)	(272)	(253)
Other Income	35	34	83	91
Profit before Taxation	5,843	4,777	8,684	9,295
Taxation	(33)	(40)	(72)	(87)
Net Profit for the period	5,810	4,737	8,612	9,208
Attributable to:				
Shareholders of the Company	5,810	4,748	8,612	9,228
Minority Interest	-	(11)	-	(20)
Net Profit for the period	5,810	4,737	8,612	9,208
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	1.0	0.8	1.4	1.5
- 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
(Company No. 505639-K)
(Incorporated in Malaysia under the Companies Act, 1965)

Condensed Consolidated Balance Sheet
As at December 31, 2010

	Unaudited As at end of Current Quarter 31.12.2010 RM'000	Audited As at 30.6.2010 RM'000
ASSETS		
NON-CURRENT ASSETS		
Development costs	10,377	10,113
Equipment	39,337	39,995
Goodwill on consolidation	12,016	12,016
	61,730	62,124
CURRENT ASSETS		
Trade receivables	9,657	6,792
Other receivables, deposits and prepayments	10,045	10,325
Amount owing by an associate	6,020	7,522
Tax recoverable	29	17
Cash and bank balances	16,782	8,825
	42,533	33,481
TOTAL ASSETS	104,263	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	33,108	24,496
TOTAL EQUITY	93,055	84,443
NON-CURRENT LIABILITY		
Hire Purchase	2,072	1,786
Term Loan	1,920	2,400
	3,992	4,186
CURRENT LIABILITIES		
Trade payables	2,209	1,422
Other payables and accruals	859	1,384
Deferred revenue	1,440	1,440
Provision for taxation	4	7
Short term borrowings	2,704	2,723
	7,216	6,976
TOTAL LIABILITIES	11,208	11,162
TOTAL EQUITY AND LIABILITIES	104,263	95,605
Net assets attributable to ordinary equity holders of the parent (RM'000)	93,055	84,443
Net assets per share attributable to ordinary equity holders of the parent (sen)	15.5	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)
(Incorporated in Malaysia under the Companies Act, 1965)

Condensed Consolidated Statement of Changes in Equity
For the Second Quarter ended December 31, 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
Purchase of Treasury Shares	-	#	-	-	#
Profit After Tax For The Financial Period	-	-	9,228	(20)	9,208
Dividends Paid	-	-	(2,734)	-	(2,734)
As at 31 December 2009	60,105	#	15,856	26	75,987
As at 1 July 2010	60,105	(158)	24,496	-	84,443
Profit After Tax For The Financial Period	-	-	8,612	-	8,612
As at 31 December 2010	60,105	(158)	33,108	-	93,055

represents an amount less than RM1,000

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
(Company No. 505639-K)
(Incorporated in Malaysia under the Companies Act, 1965)

Condensed Consolidated Cash Flow Statement
For the Second Quarter ended December 31, 2010
(The figures have not been audited)

	Current Year To Date Ended 31.12.2010 (RM'000)	Corresponding Year To Date Ended 31.12.2009 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,684	9,295
Adjustments for:-		
Amortisation of development costs	436	372
Depreciation of equipment	2,889	2,072
Fixed asset written off	1	(1)
Loss on disposal of fixed asset	61	-
Interest Expense	272	253
Interest income	(83)	(91)
Operating profit before working capital changes	12,260	11,900
Increase in trade and other receivables	(2,585)	(1,280)
Increase/(Decrease) in trade and other payables	262	(448)
CASH FLOWS FROM OPERATIONS	9,937	10,172
Income tax paid	(88)	(88)
Interest paid	(272)	(253)
NET CASH FROM OPERATING ACTIVITIES	9,577	9,831
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(2,373)	(5,848)
Proceeds from disposal of fixed asset	79	-
Additions of development costs	(699)	(627)
Investment in associate company	-	#
NET CASH FOR INVESTING ACTIVITIES	(2,993)	(6,475)
CASH FOR FINANCING ACTIVITIES		
Repayment of term loan	(480)	(480)
Drawdown of hire purchase loan	1,407	3,776
Repayment of hire purchase obligations	(1,139)	(763)
Net repayment from/ (advances to) an associate	1,502	(602)
Dividend Paid	-	(5,469)
Interest income	83	91
NET CASH FOR FINANCING ACTIVITIES	1,373	(3,447)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	7,957	(91)
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	8,825	14,560
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	16,782	14,469

represents an amount less than RM1,000

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
(Company No. 505639-K)
(Incorporated in Malaysia under the Companies Act, 1965)

Notes To The Interim Financial Report For The Financial Period Ended 31 December 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 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.

A7. Dividends Paid

On 29 October 2010, the company declared a final tax-exempt dividend of 0.6 sen per ordinary share of RM0.10 (2009 – 0.455 sen) amounting to RM3,604,075 in respect of the financial year ended 30 June 2010 and it was paid on 24 January 2011.

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 31.12.2010 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2010 RM	31.12.2009 RM	31.12.2010 RM	31.12.2009 RM
(i) Associate company				
MY E.G. Integrated Networks Sdn Bhd				
- Sales	600,000	600,000	1,200,000	600,000
(ii) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd				
- Rental of Premises	-	27,750	-	55,500
- Professional Fees	48,000	20,250	96,000	40,500
Total	48,000	48,000	96,000	96,000

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 RM16.97 million and RM5.81 million respectively for the second financial quarter ("Q2 FY2011") as compared to RM14.84 million and RM4.74 million respectively in the corresponding quarter ("Q2 FY2010"). This represents an increase of approximately RM2.13 million (or 14.4%) and RM1.07 million (or 22.6%) in Revenue and PAT respectively.

For the year to date period ended 31 December 2010 ("6M FY2011), the Group recorded Revenue of RM32.44 million as compared to RM28.44 million in the corresponding period ("6M FY2010). This represent an increase of RM4.0 million (14.1%) in Revenue. However, PAT for 6M FY2011 decreased by RM0.6 million (6.5%) to RM8.61 million as compared to RM9.21 million achieved in 6M FY2010.

The increase in Revenue are primarily attributable to:

- i) increase in JPJ related services for theory test taking;
- ii) increase in online payment of traffic summons due to the campaign by Polis Di Raja Malaysia ("PDRM") during Q2 FY2011 ; and
- iii) encouraging growth for our online renewal of insurance and road tax transactions

However, this was offset by the continual marketing expenses to further promote MYEG's brand name and services during the period under review as compared to the corresponding period in FY2010.

B2. Comparison with Preceding Quarter's Results

	Q2 FY2011	Q1 FY2011
	RM'000	RM'000
Revenue	16,969	15,467
Profit Before Tax ("PBT")	5,843	2,840
PAT	5,810	2,801

For the Quarter under review, the Group recorded Revenue of RM16.97 million, an increase of RM1.50 million as compared to Q1 FY2011 Revenue. PAT increased by RM3.01 million (107.4%) to RM5.81 million, as compared to Q1 FY2011 PAT of RM2.80 million. The increase in Revenue and PAT is primarily attributable to higher volume from JPJ related services for theory test taking and payment of traffic summons due to the campaign by PDRM in Q2 FY2011 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 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 31.12.2010 (RM'000)	Current Year To Date 31.12.2010 (RM'000)
Current period	33	72

The effective tax rate for the current financial quarter and cumulative year to date is 0.56% and 0.83% respectively 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 December 31, 2010 were as follows:-

	Current (RM'000)	Non-Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	1,744	2,072	3,816
Term Loan	960	1,920	2,880
Total Borrowings	2,704	3,992	6,696

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. Realised and Unrealised Profits/Losses Disclosure

	As at 31.12.2010 (RM'000)	As at 30.09.2010 (RM'000)
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	33,108	27,297
- Unrealised	-	-
Total Group retained profits/(accumulated losses) as per consolidated accounts	33,108	27,297

Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosure.

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 31.12.2010 (RM'000)	Current Year To Date 31.12.2010 (RM'000)
Net profit attributable to ordinary shareholders	5,810	8,612
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	600,679	600,679
Basic EPS (sen)	1.0	1.4

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
25 February 2011