



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 2011

Condensed Consolidated Statement of Comprehensive Income
For the First Quarter ended September 30, 2011
(The figures have not been audited)

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.9.2011 (RM'000)	30.9.2010 (RM'000)	30.9.2011 (RM'000)	30.9.2010 (RM'000)
Revenue	14,192	12,005	14,192	12,005
Operating expenses	(6,455)	(7,430)	(6,455)	(7,430)
Operating profit	7,737	4,575	7,737	4,575
Depreciation and amortization	(2,105)	(1,642)	(2,105)	(1,642)
Finance costs	(231)	(141)	(231)	(141)
Other operating income	4	48	4	48
Profit before taxation	5,405	2,840	5,405	2,840
Taxation	(29)	(39)	(29)	(39)
Total comprehensive income for the year	5,376	2,801	5,376	2,801
Profit for the period attributable to Shareholders of the Company	5,376	2,801	5,376	2,801
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	0.9	0.5	0.9	0.5
- 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 2011 and the accompanying notes to the Interim Financial Statements.

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Condensed Consolidated Statement of Financial Position
As at September 30, 2011

	Unaudited As at end of Current Quarter 30.9.2011 RM'000	Audited As at 30.6.2011 RM'000
ASSETS		
NON-CURRENT ASSETS		
Development costs	10,874	10,502
Equipment	68,367	69,769
Goodwill on consolidation	12,016	12,016
	91,257	92,287
CURRENT ASSETS		
Trade receivables	9,352	8,110
Other receivables, deposits and prepayments	14,641	10,421
Tax recoverable	66	52
Amount due from associate company	2,272	5,872
Cash and bank balances	10,835	5,334
	37,166	29,789
TOTAL ASSETS	128,423	122,076
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	60,105	60,105
Treasury shares	(388)	(158)
Retained profits	45,395	40,019
TOTAL EQUITY	105,112	99,966
NON-CURRENT LIABILITIES		
Deferred Taxation	699	699
Hire Purchase	3,000	1,553
Term Loan	4,770	5,222
	8,469	7,474
CURRENT LIABILITIES		
Trade payables	4,477	3,105
Other payables and accruals	2,187	895
Deferred revenue	3,860	3,860
Dividend payable	-	3,003
Provision for taxation	1	1
Short term borrowings	4,317	3,772
	14,842	14,636
TOTAL LIABILITIES	23,311	22,110
TOTAL EQUITY AND LIABILITIES	128,423	122,076
Net assets attributable to ordinary equity holders of the parent (RM'000)	105,111	99,966
Net assets per share attributable to ordinary equity holders of the parent (sen)	17.51	16.64

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2011 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, 2011
(The figures have not been audited)

	← Attributable to Equity Holders of the Company →			Total Equity
	Share capital (RM'000)	Treasury Shares (RM'000)	Distributable Retained Profits (RM'000)	
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
As at 1 July 2011	60,105	(158)	40,019	99,966
Purchase of Treasury Shares	-	(230)	-	(230)
Profit After Tax For The Financial Period	-	-	5,376	5,376
As at 30 September 2011	60,105	(388)	45,395	105,112

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 2011 and the accompanying notes to the Interim Financial Statements.

MY E.G. SERVICES BERHAD
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Condensed Consolidated Statement of Cash Flows
For the First Quarter ended September 30, 2011
(The figures have not been audited)

	Current Year To Date Ended 30.9.2011 (RM'000)	Corresponding Year To Date Ended 30.9.2010 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,405	2,840
Adjustments for:-		
Amortisation of development costs	212	220
Depreciation of equipment	1,893	1,422
Interest Expense	227	141
Interest income	(4)	(48)
	7,733	4,575
Operating profit before working capital changes	(5,485)	127
(Increase)/Decrease in trade and other receivables	2,686	517
Increase in trade and other payables	4,934	5,219
CASH FLOWS FROM OPERATIONS	(44)	(44)
Income tax paid	(227)	(141)
Interest paid	4,663	5,034
NET CASH FROM OPERATING ACTIVITIES		
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(490)	(1,936)
Additions of development costs	(584)	(335)
Repayment from / (advances to) an Associate company	3,600	(889)
NET CASH FOR INVESTING ACTIVITIES	2,526	(3,160)
CASH FOR FINANCING ACTIVITIES		
Repayment of term loan	(452)	(240)
Drawdown of hire purchase loan	2,737	1,407
Repayment of hire purchase obligations	(744)	(590)
Dividend Paid	(3,003)	-
Repurchase of shares	(230)	-
Interest income	4	48
NET CASH FOR FINANCING ACTIVITIES	(1,688)	625
NET INCREASE IN CASH AND BANK BALANCES	5,501	2,499
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	5,334	8,825
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	10,835	11,324

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2011 and the accompanying notes to the Interim Financial Statements.

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Notes To The Interim Financial Report For The Financial Period Ended 30 September 2011

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 2011.

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 2011.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2011 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 30.9.2010 (RM'000)	<u>As previously reported</u> Preceding Year Corresponding Quarter 30.9.2010 (RM'000)	<u>As restated</u> Preceding Year Corresponding Period 30.9.2010 (RM'000)	<u>As previously reported</u> Preceding Year Corresponding Period 30.9.2010 (RM'000)
<u>Income Statement</u>				
Revenue	12,005	15,467	12,005	15,467
Operating Expenses	(7,430)	(10,892)	(7,430)	(10,892)

The above reclassifications arose due to a change in the treatment of our liability owing to government agencies from our online transactions. As a result of the above changes, the revenue and operating expenses for the financial quarter and year to date period ended 30 September 2010 were reduced by RM3.46 million. However, there is no impact on our operating profit and profit after taxation.

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 5 September 2011, the Company had purchased a total of 72,000 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 RM44,966 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 6 September 2011, the Company had purchased a total of 100,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM62,453 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.
- iii) On 23 September 2011, the Company had purchased a total of 100,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM61,949 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.
- iv) On 26 September 2011, the Company had purchased a total of 100,000 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM60,438 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 30 September 2011, the total shares bought back amounted to 743,900 (2010: 371,900) MYEG shares. None of the treasury shares held were resold or cancelled during the financial period ended 30 September 2011.

A7. Dividends Paid

On 26 May 2011, the Company declared a first interim tax exempt dividend of 0.5 sen per 10 sen ordinary share (2010 – 0.5 sen) amounting to RM3,003,396 for the financial year ended 30 June 2011 and it was paid on 19 August 2011.

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 30.9.2011 are as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM	RM	RM	RM
(i) Associate company				
MY E.G. Integrated Networks Sdn Bhd - Sales	600,000	600,000	600,000	600,000
(ii) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd - Professional Fees	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 RM14.19 million and RM5.38 million respectively for the first financial quarter ("Q1 FY2012") and year to date period ended 30 September 2011 ("3M FY2012") as compared to RM12.00 million and RM2.80 million respectively in the corresponding quarter ("Q1 FY2011") and year to date period ended 30 September 2010 ("3M FY2011").

The increase in revenue of RM2.19 million (18.2%) and PAT of RM2.56 million (92.1%) respectively, are primarily attributable to:-

- i) the continuous encouraging growth for our online renewal of insurance, road tax transactions and its related services;
- ii) the introduction of our group's new cloud computing based services; and
- iii) a reduction in marketing expenses, primarily due to the higher expenses incurred in Q1 FY2011 due to the 2010 World Cup advertising campaign. This was, however, offset by higher depreciation expenses in Q1 FY2012 from new capital expenditure incurred.

B2. Comparison with Preceding Quarter's Results

	Q1 FY2012	Q4 FY2011
	RM'000	RM'000
Revenue	14,192	17,898
Profit Before Tax ("PBT")	5,405	7,962
PAT	5,376	7,918

For the Quarter under review, the Group's revenue and PAT decreased by RM3.71 million and RM2.89 million respectively as compared to Q4 FY2011. The decrease in revenue and PAT is primarily attributable to seasonality factor where demand for JPJ new driving licences decreased in Q1 FY2012.

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 2012 ("FYE 2012") 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 FYE2012.

B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the financial year ended 30 June 2012.

B5. Taxation

The taxation figures are as follows:

	Current Quarter 30.09.2011 (RM'000)	Current Year To Date 30.09.2011 (RM'000)
Current period	29	29

The effective tax rate for the current financial quarter and cumulative year to date is 0.54% as compared to the statutory tax rate of 25%. The lower effective tax rate is primarily because the Group's statutory business income are mainly from the MSC status company in the Group namely, My E.G. Sdn Bhd (formerly known as mySPEED.com Sdn Bhd), whereby statutory business income arising from approved MSC activities are not subjected to income tax for an initial period of five years, and which can be extended to ten years.

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

Saved as disclosed below, there is no corporate proposal announced but not completed as at the date of this announcement.

(i) Employees' Share Option Scheme

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.

On 9 September 2011, the Company had announced that it will not proceed with the Proposed ESOS due to the current unfavourable and uncertain market conditions.

(ii) Provision of Financial Assistance and Renewal of Authority for Share Buy Back

On 1 November 2011, the Company proposed to obtain shareholders' approval at the forthcoming Annual General Meeting (AGM) of the company for the provision of financial assistance amounting up to RM20.0 million by the Company to MY E.G. Integrated Networks Sdn Bhd, a 40% owned associated company of MYEG and renewal of authority for the Company to purchase up to 10% of its own ordinary shares.

These corporate proposals have not being completed as at the date of this announcement as the forthcoming AGM will be held on 15 December 2011.

B9. Group Borrowings

Details of the Group's borrowings as at September 30, 2011 were as follows:-

	Current (RM'000)	Non-Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	2,181	3,000	5,181
Term Loan	2,136	4,770	6,906
Total Borrowings	<u>4,317</u>	<u>7,770</u>	<u>12,087</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. Realised and Unrealised Profits/Losses Disclosure

	As at 30.09.2011 (RM'000)	Audited As at 30.06.2011 (RM'000)
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	41,234	35,858
- Unrealised	-	-
Total share of accumulated losses of associate:		
- Realised	(400)	(400)
- Unrealised	-	-
	<u>40,834</u>	<u>35,458</u>
Add : Consolidation Adjustments	4,561	4,561
Total Group retained profits/(accumulated losses) as per consolidated accounts	<u>45,395</u>	<u>40,019</u>

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 August 2011, the Directors have proposed the declaration of a final tax exempt dividend of 0.6 sen per 10 sen ordinary share (2010 – nil) for the financial year ended 30 June 2011. The proposed dividend is subject to the approval of the shareholders at the forthcoming Eleventh Annual General Meeting to be held on 15 December 2011.

The total tax exempt dividend declared for the financial year ended 30 June 2011 will amount to 1.10 sen per 10 sen ordinary share (2010 – 1.10 sen).

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 30.09.2011 (RM'000)	Current Year To Date 30.09.2011 (RM'000)
Net profit attributable to ordinary shareholders	5,376	5,376
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	600,617	600,617
Basic EPS (sen)	0.9	0.9

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.

B15. Additional Disclosure Requirement

Update on Memorandum of Understanding ("MoU") pursuant to Paragraph 9.29, Chapter 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Company had on 8 June 2011 entered into a MoU on introducing of e-Government services in Kazakhstan with National Information Technologies JSC of the Republic of Kazakhstan. There has been no material update, and no subsequent agreement has been entered arising from the MoU as at the date of this announcement.

By Order of the Board

Tan Ai Ning
Secretary
30 November 2011