



**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 2011**

**Condensed Consolidated Statement of Comprehensive Income**  
**For the Second Quarter ended December 31, 2011**  
 (The figures have not been audited)

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31.12.2011 (RM'000)	31.12.2010 (RM'000)	31.12.2011 (RM'000)	31.12.2010 (RM'000)
Revenue	16,918	13,346	31,111	25,350
Operating expenses	(7,882)	(5,724)	(14,341)	(13,152)
Operating Profit	9,036	7,622	16,770	12,198
Depreciation and amortization	(2,110)	(1,683)	(4,215)	(3,325)
Interest Expense	(209)	(131)	(437)	(272)
Interest Income	8	35	11	83
Profit before Taxation	6,725	5,843	12,129	8,684
Taxation	(25)	(33)	(54)	(72)
Total comprehensive income for the year	6,700	5,810	12,075	8,612
Profit for the period attributable to:				
Shareholders of the Company	6,700	5,810	12,075	8,612
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	1.1	1.0	2.0	1.4
- Diluted EPS	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The Condensed Consolidated Statement of Comprehensive Income 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 Financial Position**  
**As at December 31, 2011**

	<b>Unaudited As at end of Current Quarter 31.12.2011 RM'000</b>	<b>Audited As at 30.6.2011 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Development costs	11,006	10,502
Equipment	65,441	69,769
Goodwill on consolidation	12,016	12,016
	88,463	92,287
<b>CURRENT ASSETS</b>		
Trade receivables	10,248	8,110
Other receivables, deposits and prepayments	11,996	10,421
Tax recoverable	83	52
Amount due from associate company	6,665	5,872
Cash and bank balances	17,024	5,334
	46,016	29,789
	134,479	122,076
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	60,105	60,105
Treasury shares	(571)	(158)
Retained profits	48,494	40,019
	108,028	99,966
<b>NON-CURRENT LIABILITY</b>		
Deferred Taxation	699	699
Hire Purchase	2,714	1,553
Term Loan	4,314	5,222
	7,727	7,474
<b>CURRENT LIABILITIES</b>		
Trade payables	3,892	3,105
Other payables and accruals	2,307	895
Deferred revenue	4,880	3,860
Dividend payable	3,600	3,003
Provision for taxation	-	1
Short term borrowings	4,045	3,772
	18,724	14,636
	26,451	22,110
<b>TOTAL LIABILITIES</b>		
	134,479	122,076
<b>TOTAL EQUITY AND LIABILITIES</b>		
Net assets attributable to ordinary equity holders of the parent (RM'000)	108,028	99,966
Net assets per share attributable to ordinary equity holders of the parent (sen)	18.00	16.64

The Condensed Consolidated Statement of Financial Position 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 Changes in Equity**  
**For the Second Quarter ended December 31, 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)	(RM'000)
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	<b>60,105</b>	<b>(158)</b>	<b>33,108</b>	<b>93,055</b>
As at 1 July 2011	60,105	(158)	40,019	99,966
Purchase of Treasury Shares	-	(413)	-	(413)
Profit After Tax For The Financial Period	-	-	12,075	12,075
Dividends Declared	-	-	(3,600)	(3,600)
As at 31 December 2011	<b>60,105</b>	<b>(571)</b>	<b>48,494</b>	<b>108,028</b>

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 Statement of Cash Flows**  
**For the Second Quarter ended December 31, 2011**  
**(The figures have not been audited)**

	<b>Current Year To Date Ended 31.12.2011 (RM'000)</b>	<b>Corresponding Year To Date Ended 31.12.2010 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	12,129	8,684
Adjustments for:-		
Amortisation of development costs	423	436
Depreciation of equipment	3,792	2,889
Fixed asset written off	-	1
Loss on disposal of fixed asset	-	61
Interest Expense	437	272
Interest income	(11)	(83)
	<hr/>	<hr/>
Operating profit before working capital changes	16,770	12,260
Increase in trade and other receivables	(3,713)	(2,585)
Increase/(Decrease) in trade and other payables	2,198	262
Increase in deferred revenue	1,020	-
	<hr/>	<hr/>
<b>CASH FLOWS FROM OPERATIONS</b>	<b>16,275</b>	<b>9,937</b>
Income tax paid	(87)	(88)
Interest paid	(437)	(272)
	<hr/>	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>15,751</b>	<b>9,577</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of equipment	(4,464)	(2,373)
Proceeds from disposal of fixed asset	-	79
Additions of development costs	(926)	(699)
	<hr/>	<hr/>
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(5,390)</b>	<b>(2,993)</b>
<b>CASH FOR FINANCING ACTIVITIES</b>		
Repayment of term loan	(909)	(480)
Drawdown of hire purchase loan	2,737	1,407
Repayment of hire purchase obligations	(1,301)	(1,139)
Net repayment from/ (advances to) an associate	4,207	1,502
Dividend Paid	(3,003)	-
Repurchase of shares	(413)	-
Interest income	11	83
	<hr/>	<hr/>
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>1,329</b>	<b>1,373</b>
	<hr/>	<hr/>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>11,690</b>	<b>7,957</b>
	<hr/>	<hr/>
<b>CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>5,334</b>	<b>8,825</b>
	<hr/>	<hr/>
<b>CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD</b>	<b>17,024</b>	<b>16,782</b>
	<hr/>	<hr/>

The Condensed Consolidated Statement of Cash Flows 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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**Notes To The Interim Financial Report For The Financial Period Ended 31 December 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 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 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 31.12.2010 (RM'000)	<u>As previously reported</u> Preceding Year Corresponding Quarter 31.12.2010 (RM'000)	<u>As restated</u> Preceding Year Corresponding Period 31.12.2010 (RM'000)	<u>As previously reported</u> Preceding Year Corresponding Period 31.12.2010 (RM'000)
<u>Income Statement</u>				
Revenue	13,346	16,969	25,350	32,436
Operating Expenses	(5,724)	(9,347)	(13,152)	(20,238)

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 31 December 2010 were reduced by RM3.62 million and RM7.09 million respectively. 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 11 October 2011, 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 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.
- ii) On 22 November 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.
- iii) On 23 November 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 31 December 2011, the total shares bought back amounted to 1,043,900 (2010: 371,900) MYEG shares. None of the treasury shares held were resold or cancelled during the financial period ended 31 December 2011.

**A7. Dividends Paid**

On 22 November 2011, the company declared a final tax-exempt dividend of 0.6 sen per ordinary share of RM0.10 (2010 – 0.6 sen) amounting to RM3,600,042 in respect of the financial year ended 30 June 2011 and it was paid on 20 January 2012.

**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, saved as disclosed below:

(i) Investment in a new subsidiary company

On 14 February 2012, the Company subscribed for 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of MY EG Capital Sdn Bhd ("MYEG Capital") for a total cash consideration of RM2.00, thus making MYEG Capital a wholly-owned subsidiary of MYEG. As at the date of this announcement, MYEG Capital has not commenced operations.

**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 31.12.2011 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2011 RM	31.12.2010 RM	31.12.2011 RM	31.12.2010 RM
<b>(i) Associate company</b>				
MY E.G. Integrated Networks Sdn Bhd				
- Sales	3,150,000	600,000	3,750,000	1,200,000
- Transfer of assets	5,000,000	-	5,000,000	-
Total	<u>8,150,000</u>	<u>600,000</u>	<u>8,750,000</u>	<u>1,200,000</u>

#### **(ii) A company which a director has financial interest**

Embunaz Ventures Sdn Bhd				
- Professional Fees	<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.



## **Explanatory Notes Pursuant To Appendix 9B Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad**

### **B1. Performance of the Group**

The Group posted Revenue and Profit after Taxation ("PAT") of RM16.92 million and RM6.70 million respectively for the second financial quarter ("Q2 FY2012") as compared to RM13.35 million and RM5.81 million respectively in the corresponding quarter ("Q2 FY2011"). The increase of approximately RM3.57 million (or 26.7%) and RM0.89 million (or 15.3%) in Revenue and PAT respectively is driven primarily by:

- i) The introduction of cloud computing based services which contributed positively to the group;
- ii) Higher volumes from our JPJ-related services as brand awareness continue to grow as a result of the ongoing advertising and promotion campaigns; and
- iii) Higher volume from our Insolvency search services as users are finding it more convenient to conduct the bankruptcy search online.

For the year to date period ended 31 December 2011 ("6M FY2012), the Group recorded Revenue of RM31.11 million as compared to RM25.35 million in the corresponding period ("6M FY2011). This represent an increase of RM5.76 million (22.7%) in Revenue. PAT for 6M FY2012 increased by RM3.46 million (40.2%) to RM12.08 million as compared to RM8.61 million achieved in 6M FY2011. The increase in Revenue and PAT is primarily attributable to the introduction of cloud based computing services and an overall increase in volume driven by our ongoing advertising and promotion campaigns to create and enhance brand awareness.

### **B2. Comparison with Preceding Quarter's Results**

	<b>Q2 FY2012</b>	<b>Q1 FY2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	16,918	14,192
Profit Before Tax ("PBT")	6,725	5,405
PAT	6,700	5,376

For the Quarter under review, the Group recorded Revenue of RM16.92 million, an increase of RM2.73 million as compared to Q1 FY2012 Revenue. PAT increased by RM1.32 million (24.6%) to RM6.70 million, as compared to Q1 FY2012 PAT of RM5.38 million. The increase in Revenue and PAT is primarily attributable to higher volume from JPJ related services in Q2 FY2012 as more students are taking their driving licensing test during the school holidays.

### **B3. Prospect of the Group**

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:

	<b>Current Quarter 31.12.2011 (RM'000)</b>	<b>Current Year To Date 31.12.2011 (RM'000)</b>
Current period	25	54

The effective tax rate for the current financial quarter and cumulative year to date is 0.37% and 0.45% respectively 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 EG 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) 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 had been approved by the shareholders of the Company in the 11<sup>th</sup> AGM held on 15 December 2011.

**B9. Group Borrowings**

Details of the Group's borrowings as at December 31, 2011 were as follows:-

	<b>Current (RM'000)</b>	<b>Non-Current (RM'000)</b>	<b>Total (RM'000)</b>
<b>Secured</b>			
Hire Purchase	1,910	2,714	4,624
Term Loan	2,135	4,314	6,449
Total Borrowings	4,045	7,028	11,073

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**

	<b>As at 31.12.2011 (RM'000)</b>	<b>Audited As at 30.06.2011 (RM'000)</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	45,353	35,858
- Unrealised	-	-
Total share of accumulated losses of associate:		
- Realised	(400)	(400)
- Unrealised	-	-
	<hr/> 44,953	<hr/> 35,458
Add : Consolidation Adjustments	3,541	4,561
	<hr/> 48,494	<hr/> 40,019
Total Group retained profits/(accumulated losses) as per consolidated accounts	<hr/> <b>48,494</b>	<hr/> <b>40,019</b>

**B12. Profit Before Taxation**

Profit before taxation is arrived at after charging/(crediting):-

	<b>Current Quarter 31.12.2011 (RM'000)</b>	<b>Current Year To Date 31.12.2011 (RM'000)</b>
Interest Income	(8)	(11)
Interest Expense	209	437
Depreciation and amortization	2,110	4,215

Save as disclosed above and in the Condensed Consolidated Statement of Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

**B13. Material Litigations**

As at the date of this announcement, there are no material litigations against the Group or taken by the Group.

**B14. Dividends**

On 28 February 2012, the Directors have declared a first interim tax exempt dividend of 0.5 sen per 10 sen ordinary share (2011 – 0.5 sen) amounting to RM3,000,036 for the current financial year ending 30 June 2012, payable on 21 May 2012 to shareholders registered at the close of business on 25 April 2012.

**B15. 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.

	<b>Current Year Quarter 31.12.2011 (RM'000)</b>	<b>Current Year To Date 31.12.2011 (RM'000)</b>
Net profit attributable to ordinary shareholders	6,700	12,075
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	600,132	600,375
Basic EPS (sen)	1.1	2.0

## 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.

**B16. 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  
29 February 2012