



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 2012

Condensed Consolidated Statement of Comprehensive Income
For the Second Quarter ended December 31, 2012
 (The figures have not been audited)

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31.12.2012 (RM'000)	31.12.2011 (RM'000)	31.12.2012 (RM'000)	31.12.2011 (RM'000)
Revenue	19,191	16,918	35,253	31,111
Operating expenses	(8,153)	(7,882)	(15,077)	(14,341)
Operating profit	11,038	9,036	20,176	16,770
Depreciation and amortization	(2,710)	(2,110)	(5,122)	(4,215)
Interest expense	(196)	(209)	(400)	(437)
Interest income	8	8	27	11
Profit before taxation	8,140	6,725	14,681	12,129
Taxation	(28)	(25)	(66)	(54)
Profit after taxation	8,112	6,700	14,615	12,075
Total comprehensive income for the period	8,112	6,700	14,615	12,075
Profit after taxation attributable to:				
Shareholders of the Company	8,112	6,700	14,615	12,075
Total comprehensive income attributable to :				
Shareholders of the Company	8,112	6,700	14,615	12,075
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	1.4	1.1	2.5	2.0
- 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 2012 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 Financial Position
As at December 31, 2012

	Unaudited As at end of Current Quarter 31.12.2012 RM'000	Audited As at 30.6.2012 RM'000
ASSETS		
NON-CURRENT ASSETS		
Other investments	950	350
Development costs	11,175	11,154
Equipment	75,800	74,637
Goodwill on consolidation	12,016	12,016
	99,941	98,157
CURRENT ASSETS		
Trade receivables	11,291	12,072
Other receivables, deposits and prepayments	13,999	13,581
Tax refundable	29	31
Amount due from associate company	24,878	16,306
Cash and bank balances	15,528	9,822
	65,725	51,812
TOTAL ASSETS	165,666	149,969
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	60,105	60,105
Treasury shares	(3,922)	(2,206)
Retained profits	75,384	60,769
TOTAL EQUITY	131,567	118,668
NON-CURRENT LIABILITIES		
Deferred Taxation	699	699
Hire Purchase	5,862	4,188
Term Loan	2,444	3,385
	9,005	8,272
CURRENT LIABILITIES		
Trade payables	7,384	7,660
Other payables and accruals	4,262	3,974
Deferred revenue	8,720	7,200
Provision for taxation	120	130
Short term borrowings	4,608	4,065
	25,094	23,029
TOTAL LIABILITIES	34,099	31,301
TOTAL EQUITY AND LIABILITIES	165,666	149,969
Net assets attributable to ordinary equity holders of the parent (RM'000)	131,567	118,668
Net assets per share attributable to ordinary equity holders of the parent (sen)	22.11	19.86

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2012 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 Second Quarter ended December 31, 2012
(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 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	60,105	(571)	48,494	108,028
As at 1 July 2012	60,105	(2,206)	60,769	118,668
Purchase of Treasury Shares	-	(1,716)	-	(1,716)
Profit After Tax For The Financial Period	-	-	14,615	14,615
As at 31 December 2012	60,105	(3,922)	75,384	131,567

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 2012 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, 2012
(The figures have not been audited)

	Current Year To Date Ended 31.12.2012 (RM'000)	Corresponding Year To Date Ended 31.12.2011 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,681	12,129
Adjustments for:-		
Amortisation of development costs	527	423
Depreciation of equipment	4,595	3,792
Interest Expense	400	437
Interest income	(27)	(11)
Operating profit before working capital changes	20,176	16,770
Decrease / (Increase) in trade and other receivables	362	(3,713)
Increase in trade and other payables	11	2,198
Increase in deferred revenue	1,520	1,020
(Increase) / Decrease in amount owing by an associate	(8,571)	4,207
CASH FLOWS FROM OPERATIONS	13,498	20,482
Income tax paid	(75)	(87)
Interest paid	(400)	(437)
NET CASH FROM OPERATING ACTIVITIES	13,023	19,958
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(5,758)	(4,464)
Additions of development costs	(547)	(926)
Investment in unquoted shares	(600)	-
NET CASH FOR INVESTING ACTIVITIES	(6,905)	(5,390)
CASH FOR FINANCING ACTIVITIES		
Repayment of term loan	(941)	(909)
Drawdown of hire purchase loan	3,376	2,737
Repayment of hire purchase obligations	(1,158)	(1,301)
Dividend Paid	-	(3,003)
Purchase of treasury shares	(1,716)	(413)
Interest income	27	11
NET CASH FOR FINANCING ACTIVITIES	(412)	(2,878)
NET INCREASE IN CASH AND BANK BALANCES	5,706	11,690
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	9,822	5,334
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	15,528	17,024

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2012 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 2012

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 MFRS 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 2012.

These unaudited interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Groups first MFRS annual financial statements for the year ending 30 June 2013. MFRS 1 First-Time Adoption of Malaysia Financial Reporting Standards has been applied. The transition from FRS to MFRS does not have material effects on the financial statements of the Group.

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 2012 and application of MFRS are not material to the financial statements of the Group.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2012 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 other 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 8 November 2012, 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 RM75,548 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 9 November 2012, 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 RM75,548 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 22 November 2012, 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 RM74,037 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 23 November 2012, 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 RM73,030 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.
- v) On 26 November 2012, the Company had purchased a total of 200,000 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 RM139,096 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.
- vi) On 28 November 2012, the Company had purchased a total of 67,000 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 RM46,905 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.
- vii) On 7 December 2012, 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 RM76,555 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.
- viii) On 19 December 2012, the Company had purchased a total of 66,000 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 RM51,191 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.

A6. Debt and Equity Securities (continued)

- ix) On 21 December 2012, the Company had purchased a total of 200,000 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 RM160,688 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.
- x) On 27 December 2012, the Company had purchased a total of 200,000 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 RM159,182 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.
- xi) On 28 December 2012, 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 RM79,577 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.

The total shares bought back for the financial period ended December 31, 2012 amounted to 2,460,200 (2011: 672,000) MYEG shares. As at December 31, 2012 a total of 6,068,600 (2011 : 1,043,900) MYEG shares were retained as treasury shares in the Company. None of the treasury shares held were resold or cancelled during the financial period ended December 31, 2012.

A7. Dividend Paid

On 26 November 2012, the company declared a final tax-exempt dividend of 0.9 sen per 10 sen ordinary share (2012 – 0.6 sen) amounting to RM5,354,851 for the financial year ended 30 June 2012 and it was paid on 25 January 2013.

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 31.12.2012 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2012 RM	31.12.2011 RM	31.12.2012 RM	31.12.2011 RM
(i) Associate company				
MY E.G. Integrated Networks Sdn Bhd				
- Sales	2,650,000	3,150,000	5,000,000	3,750,000
- Transfer of assets	-	5,000,000	-	5,000,000
	<u>2,650,000</u>	<u>8,150,000</u>	<u>5,000,000</u>	<u>8,750,000</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.

B 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 RM19.19 million and RM8.11 million respectively for the second financial quarter ("Q2 FY2013") as compared to RM16.92 million and RM6.70 million respectively in the corresponding quarter ("Q2 FY2012").

The increase of RM2.27 million (13.4%) and RM1.41 million (21.1%) in Revenue and PAT respectively are driven primarily by:

- i) Higher volumes from JPJ related services for theory test taking; and
- ii) Continuous strong growth for our online renewal of insurance and road tax transactions.

For the year to date period ended 31 December 2012 ("6M FY2013"), the Group recorded Revenue of RM35.25 million as compared to RM31.11 million in the corresponding period ("6M FY2012"). This represent an increase of RM4.14 million (13.3%) in Revenue. PAT for 6M FY2013 increase by RM2.54 million (21.0%) to RM14.62 million as compared to RM 12.08 million achieved in 6M FY2012. The increase in Revenue and PAT is primarily attributable to 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

	Q2 FY2013	Q1 FY2013
	RM'000	RM'000
Revenue	19,191	16,062
Profit Before Tax ("PBT")	8,140	6,541
PAT	8,112	6,504

For the Quarter under review, the Group's revenue increased by RM3.13 million as compared to Q1 FY2013 while PAT increased by RM1.61 million (24.7%) as compared to Q1 FY2013 PAT of RM6.50 million. The increase in revenue and PAT are primarily attributable to a higher volume for JPJ related services for theory test taking services in Q2 FY2013 as more students are taking their driving licensing test during the school holidays.

B3. Prospect of the Group

For the financial year ending 30 June 2013, existing services will continue to contribute to our Group revenue. In addition, the Group will focus on completing the implementation of the online service tax monitoring project. The Group will also increase the adoption of the recently launched online vehicle ownership transfer services as well as new services under the Immigration Department.

Barring any unforeseen circumstances, the Directors of MyEG are of the opinion that the results for the financial year ending 30 June 2013 ("FYE 2013") 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 FYE2013.

B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the financial year ended 30 June 2013.

B5. Taxation

The taxation figures are as follows:

	Current Quarter 31.12.2012 (RM'000)	Current Year To Date 31.12.2012 (RM'000)
Current period	28	66

The effective tax rate for the current financial quarter and cumulative year to date is 0.34% and 0.45% respectively as compared to the statutory tax rate of 25%. The lower effective tax rate is primarily because a significant proportion of the Group's revenue and PBT are mainly contributed by MY EG Sdn Bhd ("EGSB"). As EGSB is a MSC status company, its revenue is not subjected to income tax.

B6. Status of Corporate Proposal

There is no corporate proposal announced but not completed as at the date of this announcement.

B7. Group Borrowings

Details of the Group's borrowings as at December 31, 2012 were as follows:-

	Current (RM'000)	Non-Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	2,472	5,862	8,334
Term Loan	2,136	2,444	4,580
Total Borrowings	4,608	8,306	12,914

The borrowings are denominated in RM.

B8. Off Balance Sheet Financial Instruments

As at the date of this report, there are no off balance sheet financial instruments.

B9. Realised and Unrealised Profits/Losses Disclosure

	As at 31.12.2012 (RM'000)	Audited As at 30.06.2012 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	75,385	59,649
- Unrealised	699	699
	<hr/> 76,084	<hr/> 60,348
Total share of accumulated losses of associate:		
- Realised	(400)	(400)
- Unrealised	-	-
	<hr/> 75,684	<hr/> 59,948
Add : Consolidation Adjustments	(300)	821
	<hr/> 75,384	<hr/> 60,769
Total Group retained profits as per consolidated accounts	<hr/> <hr/> 75,384	<hr/> <hr/> 60,769

B10. Profit Before Taxation

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

	Current Quarter 31.12.2012 (RM'000)	Current Year To Date 31.12.2012 (RM'000)
Interest Income	(8)	(27)
Interest Expense	196	400
Depreciation and amortization	2,710	5,122

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.

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 25 February 2013, the Directors have declared a first interim tax exempt dividend of 0.5 sen per 10 sen ordinary share (2012 – 0.5 sen) amounting to RM2,975,412 (2012 - RM3,000,036) for the current financial year ending 30 June 2013, payable on 21 May 2013 to shareholders registered at the close of business on 25 April 2013.

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 31.12.2012 (RM'000)	Current Year To Date 31.12.2012 (RM'000)
Net profit attributable to ordinary shareholders	8,112	14,615
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	594,982	594,982
Basic EPS (sen)	1.4	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.

B14. 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 ("NIT") of the Republic of Kazakhstan. Subsequently on 17 April 2012, the Company has signed a new MoU with NIT on scientific, technological, innovative, and academic activities in 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
25 February 2013