



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 SEPTEMBER 30, 2013

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
 For the First Quarter ended September 30, 2013
 (The figures have not been audited)**

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.09.2013 (RM'000)	30.09.2012 (RM'000)	30.09.2013 (RM'000)	30.09.2012 (RM'000)
Revenue	20,406	16,062	20,406	16,062
Operating expenses	(8,623)	(6,923)	(8,623)	(6,923)
Operating Profit	11,783	9,139	11,783	9,139
Depreciation and amortization	(3,026)	(2,412)	(3,026)	(2,412)
Interest Expense	(247)	(205)	(247)	(205)
Interest Income	56	19	56	19
Profit Before Taxation	8,566	6,541	8,566	6,541
Taxation	(25)	(37)	(25)	(37)
Profit After Taxation	8,541	6,504	8,541	6,504
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the financial period	8,541	6,504	8,541	6,504
Profit After Taxation attributable to:				
Owners of the Company	8,541	6,504	8,541	6,504
Non-controlling interest	#	-	#	-
	8,541	6,504	8,541	6,504
Total Comprehensive Income attributable to:				
Owners of the Company	8,541	6,504	8,541	6,504
Non-controlling interest	#	-	#	-
	8,541	6,504	8,541	6,504
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	1.4	1.1	1.4	1.1
- Diluted EPS	Not Applicable	Not Applicable	Not Applicable	Not Applicable

represents an amount less than RM1,000.

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 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 Statements of Financial Position
As at September 30, 2013

	Unaudited As at end of Current Quarter 30.09.2013 RM'000	Audited As at 30.6.2013 RM'000
ASSETS		
NON-CURRENT ASSETS		
Other investments	1,917	1,734
Development costs	10,514	10,674
Equipment	76,634	77,531
Goodwill on consolidation	12,016	12,016
Deferred tax asset	710	710
	101,791	102,665
CURRENT ASSETS		
Trade receivables	16,215	13,552
Other receivables, deposits and prepayments	13,741	12,846
Tax recoverable	58	37
Amount due from associate company	39,787	34,622
Cash and bank balances	19,925	18,389
	89,726	79,446
TOTAL ASSETS	191,517	182,111
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	60,105	60,105
Treasury shares	(8,300)	(7,766)
Retained profits	95,841	87,300
	147,646	139,639
Non-controlling interest	3	3
TOTAL EQUITY	147,649	139,642
NON-CURRENT LIABILITY		
Deferred tax liability	678	678
Hire purchase	6,420	4,616
Term loan	3,062	3,539
	10,160	8,833
CURRENT LIABILITIES		
Trade payables	12,419	15,795
Other payables and accruals	4,807	3,211
Deferred revenue	11,620	10,620
Provision for taxation	14	53
Short term borrowings	4,848	3,957
	33,708	33,636
TOTAL LIABILITIES	43,868	42,469
TOTAL EQUITY AND LIABILITIES	191,517	182,111
Net assets attributable to ordinary equity holders of the parent (RM'000)	147,646	139,639
Net assets per share attributable to ordinary equity holders of the parent (sen)	24.99	23.63

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 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 Statements of Changes in Equity
For the First Quarter ended September 30, 2013
(The figures have not been audited)

	← Non-Distributable →		← Distributable →		Attributable to Owners of the Company (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
	Share capital (RM'000)	Treasury Shares (RM'000)	Retained Profits (RM'000)				
As at 1 July 2012	60,105	(2,206)	60,769		118,668	-	118,668
Purchase of Treasury Shares	-	(705)	-	(705)	(705)	-	(705)
Profit After Tax For The Financial Period	-	-	6,504	6,504	6,504	-	6,504
As at 30 September 2012	60,105	(2,911)	67,273	124,467	124,467	-	124,467
As at 1 July 2013	60,105	(7,766)	87,300		139,639	3	139,642
Purchase of Treasury Shares	-	(534)	-	(534)	(534)	-	(534)
Profit After Tax For The Financial Period	-	-	8,541	8,541	8,541	#	8,541
As at 30 September 2013	60,105	(8,300)	95,841	147,646	147,646	3	147,649

represents an amount less than RM1,000

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 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 Statements of Cash Flows
For the First Quarter ended September 30, 2013
(The figures have not been audited)

	Current Year To Date Ended 30.09.2013 (RM'000)	Corresponding Year To Date Ended 30.09.2012 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,566	6,541
Adjustments for:-		
Amortisation of development costs	370	227
Depreciation of equipment	2,656	2,185
Impairment gain on trade receivables	(1)	-
Interest Expense	247	205
Interest income	(56)	(19)
Operating profit before working capital changes	11,782	9,139
Increase in trade and other receivables	(3,557)	(1,840)
(Decrease)/Increase in trade and other payables	(1,781)	1,552
Increase in deferred revenue	1,000	700
Increase in amount owing by an associate	(5,164)	(4,140)
CASH FLOWS FROM OPERATIONS	2,280	5,411
Income tax paid	(84)	(37)
Interest paid	(247)	(205)
NET CASH FROM OPERATING ACTIVITIES	1,949	5,169
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(1,759)	(344)
Investment in unquoted shares	(183)	-
Additions of development costs	(210)	(339)
Interest received	56	19
NET CASH FOR INVESTING ACTIVITIES	(2,096)	(664)
CASH FOR FINANCING ACTIVITIES		
Repayment of term loan	(485)	(468)
Drawdown of hire purchase loan	3,414	422
Repayment of hire purchase and finance lease payables	(712)	(653)
Repurchase of shares	(534)	(705)
NET CASH FOR FINANCING ACTIVITIES	1,683	(1,404)
NET INCREASE IN CASH AND BANK BALANCES	1,536	3,101
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	18,389	9,822
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	19,925	12,923

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 and the accompanying notes to the Interim Financial Statements.

Notes To The Interim Financial Report For The Financial Period Ended 30 September 2013

A Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 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 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 2013.

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 2013.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2013 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, revenue related to the “Jabatan Pengangkutan Jalan Malaysia” (“JPJ”) 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.

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 27 August 2013, 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 RM167,718 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 2 September 2013, the Company had purchased a total of 97,800 of MYEG shares from the open market. The total consideration paid for the share buy-back of MYEG shares, including transaction costs was RM174,833 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 10 September 2013, 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 RM191,821 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 30 September 2013 amounted to 297,800 (30.9.2012: 1,127,200) MYEG shares. As at 30 September 2013 a total of 10,396,400 (30.9.2012: 4,735,600) 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 30 September 2013.

A7. Dividend 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 saved as disclosed below:

On 23 October 2013, the Company entered into a Memorandum of Understanding ("MoU") with Cradle Fund Sdn Bhd ("CFSB") to establish a proposed fund of RM60 million for the purpose of providing funding services to the early stage technology companies and other entities, whereby CFSB shall invest RM40 million whilst the Company shall invest the remaining RM20 million. There has been no material update, and no subsequent agreement has been entered arising from the MoU as at the date of this announcement.

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

As at 30.9.2013, the Group has commitment for the following:-

	30.09.2013 RM'000	30.09.2012 RM'000
Purchase of multi purpose kiosks	1,134	878

A14. Related Party Transactions

The related party transactions of the Group for the Quarter and Year ended 30.09.2013 are as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.2013 RM	30.09.2012 RM	30.09.2013 RM	30.09.2012 RM
(i) Associate company				
MY E.G. Integrated Networks Sdn Bhd - Sales	3,100,000	2,350,000	3,100,000	2,350,000
(iii) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd - Professional Fees	100,800	48,000	100,800	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 Main Market Listing Requirements Of Bursa Malaysia Securities Berhad

B1. Performance of the Group

The Group posted Revenue and Profit after Taxation ("PAT") of RM20.41 million and RM8.54 million respectively for the first financial quarter ("Q1 FY2014") as compared to RM16.06 million and RM6.50 million respectively in the corresponding quarter ("Q1 FY2013"). The increase of approximately RM4.34 million (or 27.0%) in Revenue and increase of RM2.04 million (or 31.3%) in PAT respectively is primarily attributable to:

- i) higher transaction volumes from the online renewal of foreign workers' permit;
- ii) continuous growth in the online renewal of insurance and road tax; and
- iii) revenue contribution from ancillary services related to our core Government e-services

B2. Comparison with Preceding Quarter's Results

	Q1 FY2014	Q4 FY2013
	RM'000	RM'000
Revenue	20,406	20,813
Profit Before Tax ("PBT")	8,566	10,179
PAT	8,541	10,728

For the Quarter under review, the Group recorded a Revenue of RM20.41 million, a slight decrease of RM0.41 million (1.9%) as compared to Q4 FY2013. PAT decreased by RM2.19 million (20.4%) to RM8.54 million, as compared to Q4 FY2013 PAT of RM10.73 million.

The decrease in Revenue and PAT is primarily attributable to seasonality factor where demand for JPJ new licences decreased in Q1 FY2014. However, the decrease in Revenue in Q1 FY2014 was mitigated by an increase in revenue contributions from our online renewal of insurance and road tax services while the decrease in PAT was mainly affected by:-

- i) higher marketing expenses incurred for creating and promoting the Group's brand name and services; and
- ii) higher personnel costs.

B3. Prospect of the Group

For the financial year ending 30 June 2014 ("FYE 2014"), existing and new services introduced in FY2013 are expected to continue contributing to our Group revenue. With JPJ reportedly intending to digitise 85% of their counter services to an online platform, we intend to leverage on this and continue to introduce new JPJ related e-services in FYE2014. Notwithstanding that, we are also working closely with other government agencies to introduce additional online services which are relevant to Malaysians.

Barring any unforeseen circumstances, the Directors of MYEG are of the opinion that the results for FYE 2014 will continue to be satisfactory as awareness of our existing services and brand name continues to increase while new services are targeted to be rolled out in FYE2014.

B4. Variance from Profit Forecast

Not applicable as there was no financial forecast issued for the financial year ending 30 June 2014.

B5. Taxation

The taxation figures are as follows:

	Current Quarter 30.09.2013 (RM'000)	Current Year To Date 30.09.2013 (RM'000)
Current taxation	25	25
	<hr/>	<hr/>
	25	25
	<hr/>	<hr/>

The effective tax rate for the current taxation for financial quarter and cumulative year to date is 0.29% 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 with tax incentives, 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 September 30, 2013 were as follows:-

	Non-Current (RM'000)	Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	6,420	3,374	9,794
Term Loan	3,062	1,474	4,536
Total Borrowings	<hr/>	<hr/>	<hr/>
	9,482	4,848	14,330

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 30.09.2013 (RM'000)	Audited As at 30.06.2013 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	99,408	89,868
- Unrealised	32	32
	99,440	89,900
Total share of accumulated losses of associate:		
- Realised	(400)	(400)
- Unrealised	-	-
	98,040	89,500
(Less)/Add : Consolidation Adjustments	(3,199)	(2,200)
	95,841	87,300
Total Group retained profits as per consolidated accounts	95,841	87,300

B10. Profit Before Taxation

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

	Current Quarter 30.09.2013 (RM'000)	Current Year To Date 30.09.2013 (RM'000)
Interest Income	(56)	(56)
Interest Expense	247	247
Depreciation and amortization	3,026	3,026
Impairment gain on trade receivables	(1)	(1)

Save as disclosed above and in the Condensed Consolidated Statements of Profit or Loss and Other 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, saved as disclosed below:

On 15 August 2013, the Company was served with a Writ of Summons together with the Statement of Claim issued in the Kuala Lumpur High Court by ten (10) third parties ("Plaintiffs").

The claim is in relation to the alleged unlawful conspiracy between the Company and another four (4) third parties ("Defendants") affecting the importance of the economics of the Plaintiffs. The Plaintiffs sought for an injunction from Court to stop the Company from executing the program Bantuan Lesen 1 Malaysia ("BL1M"), damages for alleged unlawfully conspired (which are not quantified), costs and interest.

The Company has sought its solicitors' advice on the necessary course of action to be taken in relation to the aforesaid Writ of Summons. We have filed for Defence and Counter Claim on 19 September 2013. Subsequently on 23 October 2013, we have filed to strike out the application by the Plaintiff.

The directors of the Company are of the view that the claim by the Plaintiffs is without merit and will vigorously defend the claim.

B12. Dividends

The Directors have proposed the declaration of a final tax exempt dividend of 1.3 sen per RM0.10 ordinary share (2012 – 0.9 sen) for the financial year ended 30 June 2013. The proposed dividend is subject to the approval of the shareholders at the forthcoming Thirteenth Annual General Meeting to be held on 19 December 2013.

Should the final tax exempt dividend be approved, the total tax exempt dividend declared for the financial year ended 30 June 2013 will amount to 1.80 sen per RM0.10 ordinary share (2012 – 1.40 sen).

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 30.09.2013 (RM'000)	Current Year To Date 30.09.2013 (RM'000)
Net profit attributable to ordinary shareholders	8,541	8,541
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	590,861	590,861
Basic EPS (sen)	1.4	1.4

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 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.

The Company had on 2 September 2013 entered into a MoU to jointly explore possible business opportunities and collaboration in the areas of e-Government services delivery and joint go-to-market for specific target market segments with Celcom Axiata Berhad. There has been no material update, and no subsequent agreement has been entered arising from the MoU as at the date of this announcement.

The Company had on 23 October 2013 entered into a MoU to establish a proposed fund of RM60 million for the purpose of providing funding services into the early stage technology companies and other entities with Cradle Fund Sdn Bhd. 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 November 2013