



MY E.G. SERVICES BERHAD
 (Company No. 505639-K)
 (Incorporated in Malaysia under the Companies Act, 1965)

THIRD QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2014

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Third Quarter ended March 31, 2014
 (The figures have not been audited)

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31.03.2014 (RM'000)	31.03.2013 (RM'000)	31.03.2014 (RM'000)	31.03.2013 (RM'000)
Revenue	30,634	20,418	74,503	55,671
Operating expenses	(13,163)	(7,605)	(30,789)	(22,682)
Operating Profit	17,471	12,813	43,714	32,989
Depreciation and amortization	(3,372)	(3,079)	(9,632)	(8,201)
Interest Expense	(213)	(208)	(689)	(608)
Interest Income	14	4	368	31
Profit Before Taxation	13,900	9,530	33,761	24,211
Taxation	(161)	(25)	(276)	(91)
Profit After Taxation	13,739	9,505	33,485	24,120
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the financial period	13,739	9,505	33,485	24,120
Profit After Taxation attributable to:				
Owners of the Company	13,739	9,505	33,486	24,120
Non-controlling interest	#	-	(1)	-
	13,739	9,505	33,485	24,120
Total Comprehensive Income attributable to:				
Owners of the Company	13,739	9,505	33,486	24,120
Non-controlling interest	#	-	(1)	-
	13,739	9,505	33,485	24,120
Earnings per share ("EPS") attributable to the equity holders of the company (sen)				
- Basic EPS	2.3	1.6	5.6	4.0
- 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 March 31, 2014

	Unaudited As at end of Current Quarter 31.03.2014 RM'000	Audited As at 30.6.2013 RM'000
ASSETS		
NON-CURRENT ASSETS		
Other investments	2,091	1,734
Development costs	10,189	10,674
Equipment	76,306	77,531
Goodwill on consolidation	12,016	12,016
Deferred tax asset	710	710
	101,312	102,665
CURRENT ASSETS		
Trade receivables	19,057	13,552
Other receivables, deposits and prepayments	17,683	12,846
Tax recoverable	5	37
Amount due from associate company	55,074	34,622
Cash and bank balances	19,716	18,389
	111,535	79,446
TOTAL ASSETS	212,847	182,111
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	60,105	60,105
Treasury shares	(9,105)	(7,766)
Retained profits	113,112	87,300
	164,112	139,639
Non-controlling interest	2	3
TOTAL EQUITY	164,114	139,642
NON-CURRENT LIABILITY		
Deferred tax liability	707	678
Hire purchase	4,697	4,616
Term loan	2,544	3,539
	7,948	8,833
CURRENT LIABILITIES		
Trade payables	10,856	15,795
Other payables and accruals	8,263	3,211
Deferred revenue	15,600	10,620
Provision for taxation	65	53
Short term borrowings	6,001	3,957
	40,785	33,636
TOTAL LIABILITIES	48,734	42,469
TOTAL EQUITY AND LIABILITIES	212,847	182,111
Net assets attributable to ordinary equity holders of the parent (RM'000)	164,112	139,639
Net assets per share attributable to ordinary equity holders of the parent (sen)	27.78	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 Third Quarter ended March 31, 2014
(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	-	(2,976)	-		(2,976)	-	(2,976)
Profit After Tax For The Financial Period	-	-	24,120		24,120	-	24,120
Dividend Paid	-	-	(5,355)		(5,355)	-	(5,355)
As at 31 March 2013	60,105	(5,182)	79,534		134,457	-	134,457
As at 1 July 2013	60,105	(7,766)	87,300		139,639	3	139,642
Purchase of Treasury Shares	-	(1,339)	-		(1,339)	-	(1,339)
Profit After Tax For The Financial Period	-	-	33,486		33,486	(1)	33,485
Dividend paid	-	-	(7,674)		(7,674)	-	(7,674)
As at 31 March 2014	60,105	(9,105)	113,112		164,112	2	164,114

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 Third Quarter ended March 31, 2014
(The figures have not been audited)

	Current Year To Date Ended 31.03.2014 (RM'000)	Corresponding Year To Date Ended 31.03.2013 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	33,761	24,211
Adjustments for:-		
Amortisation of development costs	1,110	1,020
Depreciation of equipment	8,522	7,180
Impairment losses on trade receivables	1	-
Interest Expense	689	608
Interest income	(368)	(31)
Operating profit before working capital changes	43,715	32,988
(Increase)/Decrease in trade and other receivables	(10,343)	1,197
Increase in trade and other payables	112	3,930
Increase in deferred revenue	4,980	2,340
Increase in amount owing by an associate	(20,451)	(12,772)
CASH FLOWS FROM OPERATIONS	18,013	27,683
Income tax paid	(204)	(228)
Interest paid	(689)	(608)
NET CASH FROM OPERATING ACTIVITIES	17,120	26,847
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(7,297)	(6,586)
Investment in unquoted shares	(356)	(1,264)
Additions of development costs	(625)	(739)
Interest received	368	31
NET CASH FOR INVESTING ACTIVITIES	(7,910)	(8,558)
CASH FOR FINANCING ACTIVITIES		
Drawdown of revolving credit	1,000	-
Repayment of term loan	(1,228)	(1,419)
Drawdown of hire purchase loan	3,789	3,362
Repayment of hire purchase and finance lease payables	(2,431)	(1,766)
Dividend paid	(7,674)	(5,355)
Repurchase of shares	(1,339)	(2,976)
NET CASH FOR FINANCING ACTIVITIES	(7,883)	(8,154)
NET INCREASE IN CASH AND BANK BALANCES	1,327	10,135
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	18,389	9,822
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	19,716	19,957

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 31 March 2014

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 3 March 2014, the Company had purchased a total of 10,000 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 RM29,010 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 31 March 2014 amounted to 10,000 (31.03.2013: 4,076,400) MYEG shares. As at 31 March 2014 a total of 10,806,400 (31.03.2013: 7,684,800) 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 31 March 2014.

A7. Dividend Paid

On 26 November 2013, the Directors have declared a final tax exempt dividend of 1.3 sen per 10 sen ordinary share (2012 – 0.9 sen) amounting to RM7,673,310 for the financial year ended 30 June 2013 and it was paid on 24 January 2014.

On 26 February 2014, the Directors have declared a first interim tax exempt dividend of 0.5 sen per 10 sen ordinary share (2013 – 0.5 sen) amounting to RM2,951,223 (2013 – RM2,963,005) for the current financial year ending 30 June 2014 and it was paid on 21 May 2014 to shareholders registered at the close of business on 25 April 2014.

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.

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 31.03.2014, the Group has no material capital commitments.

A14. Related Party Transactions

The related party transactions of the Group for the Quarter and Period ended 31.03.2014 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM	RM	RM	RM
(i) Associate company				
MY E.G. Integrated Networks Sdn Bhd				
- Sales	8,500,000	2,650,000	14,250,000	7,650,000
	<u>8,500,000</u>	<u>2,650,000</u>	<u>14,250,000</u>	<u>7,650,000</u>
(iii) A company which a director has financial interest				
Embunaz Ventures Sdn Bhd				
- Professional Fees	62,400	48,000	225,600	144,000
	<u>62,400</u>	<u>48,000</u>	<u>225,600</u>	<u>144,000</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 RM30.63 million and RM13.74 million respectively for the third financial quarter ("Q3 FY2014") as compared to RM20.42 million and RM9.51 million respectively in the corresponding quarter ("Q3 FY2013"). The increase of approximately RM10.21 million (or 50.0%) in Revenue and increase of RM4.23 million (or 44.5%) in PAT respectively is primarily attributable to:

- i) higher transaction volumes from the online renewal of foreign workers' permit and online transfer of vehicle ownership;
- ii) continuous growth in the existing services particularly online renewal of insurance and road tax;
- iii) higher revenue contribution from ancillary services related to our core e-Government services; and
- iv) increased in billings to associate company for development work.

For the year to date period ended 31 March 2014 ("9M FY2014"), the Group recorded Revenue of RM74.50 million as compared to RM55.67 million in the corresponding period ("9M FY2013"). This represents an increase of RM18.83 million (33.8%) in Revenue. PAT for 9M FY2014 increase by RM9.37 million (38.8%) to RM33.49 million as compared to RM24.12 million achieved in 9M FY2013. The increase in Revenue and PAT is primarily attributable to:

- i) higher transaction volumes from the online renewal of foreign workers' permit and online transfer of vehicle ownership which were introduced in second half of FY2013;
- ii) continuous increase in volume driven by our ongoing advertising and promotion campaigns to create and enhance brand awareness; and
- iii) increased in billings to associate company for development work.

B2. Comparison with Preceding Quarter's Results

	Q3 FY2014 RM'000	Q2 FY2014 RM'000
Revenue	30,634	23,463
Profit Before Tax ("PBT")	13,900	11,295
PAT	13,739	11,205

For the Quarter under review, the Group recorded a Revenue of RM30.63 million, an increase of RM7.17 million (30.6%) as compared to Q2 FY2014. PAT increased by RM2.53 million (22.6%) to RM13.74 million, as compared to Q2 FY2014 PAT of RM11.21 million.

The increase in Revenue and PAT are primarily attributable to:

- i) higher volume for JPJ related services for theory test taking services in Q3 FY2014 due to the seasonality factor where demand increases in the second half of FY2014;
- ii) higher volume from the online renewal of foreign workers' permit; and
- iii) higher volume from the online transfer of vehicle ownership.

B3. Prospect of the Group

For the financial year ending 30 June 2014 ("FYE 2014"), the continued growth in volume of our existing 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. Nothwithstanding 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 MYEG continues to roll out new services.

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 31.03.2014 (RM'000)	Current Year To Date 31.03.2014 (RM'000)
Current taxation	132	247
Deferred taxation	29	29
	<hr/>	<hr/>
	161	276

The effective tax rate for the current taxation for financial quarter and cumulative year to date is 0.95% and 0.73% 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 with tax incentives, its revenue is not subjected to income tax.

B6. Status of Corporate Proposals

There are no corporate proposals announced but not completed as at the date of this announcement.

B7. Group Borrowings

Details of the Group's borrowings as at March 31, 2014 were as follows:-

	Non-Current (RM'000)	Current (RM'000)	Total (RM'000)
Secured			
Hire Purchase	4,697	3,753	8,450
Term Loan	2,544	1,248	3,792
Revolving Credit	-	1,000	1,000
Total Borrowings	<hr/>	<hr/>	<hr/>
	7,241	6,001	13,242

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 31.03.2014 (RM'000)	Audited As at 30.06.2013 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	120,687	89,868
- Unrealised	3	32
	120,690	89,900
Total share of accumulated losses of associate:		
- Realised	(400)	(400)
- Unrealised	-	-
	120,290	89,500
(Less)/Add : Consolidation Adjustments	(7,178)	(2,200)
Total Group retained profits as per consolidated accounts	113,112	87,300

B10. Profit Before Taxation

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

	Current Quarter 31.03.2014 (RM'000)	Current Year To Date 31.03.2014 (RM'000)
Interest Income	(14)	(368)
Interest Expense	213	689
Depreciation and amortization	3,372	9,632
Impairment losses on trade receivables	2	1

Saved 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. There has been no material update as at the date of this announcement.

B12. Dividends

No dividends were declared during the current financial quarter review.

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 Quarter 31.03.2014 (RM'000)	Current Year To Date 31.03.2014 (RM'000)
Net profit attributable to ordinary shareholders	13,739	33,486
Weighted average number of ordinary shares of RM0.10 each in issue ('000s)	590,251	590,460
Basic EPS (sen)	2.3	5.6

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
28 May 2014