



www.myeg.com.my

MY E.G. SERVICES BERHAD  
(COMPANY NO. 505639-K)

www.myeg.com.my



**Corporate Head Office:**  
Lot 8.01, Level 8,  
1 First Avenue, Persiaran Bandar Utama,  
Bandar Utama, 47800 Petaling Jaya,  
Selangor Darul Ehsan  
Tel: 03-7801 0188 Fax: 03-7801 8889  
Email: investors@myeg.com.my

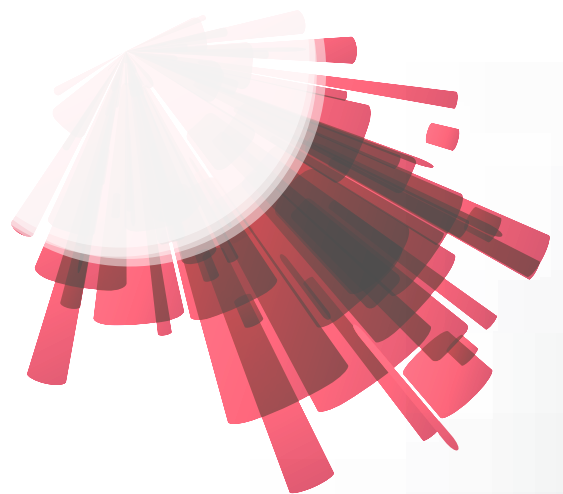
**Customer Service Centre:**  
Lot 8.02, Level 8,  
1 First Avenue, Persiaran Bandar Utama,  
Bandar Utama, 47800 Petaling Jaya,  
Selangor Darul Ehsan  
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# Corporate Structure



Development and implementation of the Electronic Government Services project and the provision of other related services for the Electronic Government Services project and investment holding.

**100.0%**

**My EG Sdn. Bhd. ("EGSB")**

Development and implementation of the Electronic Government Services project and provision of other related services for the Electronic Government Services project.

**100.0%**

**Gale Vector Sdn. Bhd. ("GVSB")**

Provision of software solutions and maintenance service.

**100.0%**

**My E.G Commerce Sdn. Bhd. ("MECSB")**

Provision of auto insurance intermediary services.

**100.0%**

**My E.G. Capital Sdn. Bhd. ("MYEGC")**

Investment Holding

**100.0%**

**My E.G.Ad Networks Sdn. Bhd.**  
(formerly known as Ipidato Sdn. Bhd.)  
("MYEGAD")<sup>^</sup>

Provision of online advertisement and engaged in the business of developing and organising online debate networks and related activities.

**70.0%**

**Ipidato Dot Com Sdn. Bhd.**  
("Ipidato DC")<sup>\*</sup>

Administering and organising online debate networks and related activities.

**50.7%**

**My E.G. Marketing Sdn. Bhd.**  
(formerly known as Henrywill Marketing Sdn. Bhd.)  
("MYEG Marketing")<sup>\*\*</sup>

Principally engaged in marketing of all kinds of credit cards, consultancy services, commission agents, event organizer and other related activities.

**80.0%**

**Car X Services Sdn. Bhd.**  
("Car X")<sup>^</sup>

To operate and manage automotive classifieds web portal and other value added services for the automotive classifieds web portal.

**40.0%**

**My E.G Integrated Networks Sdn. Bhd. ("MINT")**

Provision of software and hardware solutions and related services.

- <sup>^</sup> - held through MYEGC
- <sup>\*</sup> - held through MY EGAD
- <sup>\*\*</sup> - held through Ipidato DC



# Corporate Information

## DIRECTORS

**Dato' Dr Norraesah Binti Haji Mohamad**  
(Executive Chairman)

**Wong Thean Soon**  
(Managing Director)

**Dato' Raja Haji Munir Shah Bin Raja Mustapha**  
(Executive Director)

**Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim**  
(Independent Non-Executive Director)

**Datuk Mohd Jimmy Wong Bin Abdullah**  
(Independent Non-Executive Director)

**Ng Fook Ai, Victor**  
(Independent Non-Executive Director)

**Dato' Shamsul Anuar Bin Haji Nasarah**  
(Independent Non-Executive Director)

## COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)  
Tan Ai Ning (MAICSA 7015852)

## REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower  
8 First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7720 1188  
Fax : 03-7720 1111

## CORPORATE HEAD OFFICE

Lot 8.01, Level 8, 1 First Avenue,  
Persiaran Bandar Utama  
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47800 Petaling Jaya  
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Email : [investors@myeg.com.my](mailto:investors@myeg.com.my)  
Website : [www.myeg.com.my](http://www.myeg.com.my)

## AUDITORS

Crowe Horwath (AF 1018)  
Level 16 Tower C, Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel : 03-2788 9999  
Fax : 03-2788 9998

## SHARE REGISTRAR

Boardroom Corporate Services (KL) Sdn Bhd (3775-X)  
Lot 6.05, Level 6, KPMG Tower  
8 First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7720 1188  
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## PRINCIPAL BANKERS

RHB Bank Berhad  
Malayan Banking Berhad  
Public Bank Berhad

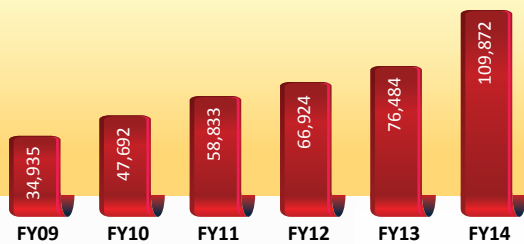
## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock Code : 0138

# Financial Highlights

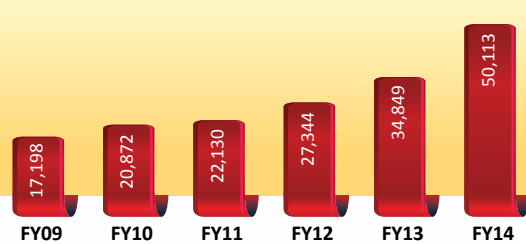
## REVENUE (RM'000)

5-year CAGR\* 25.8%



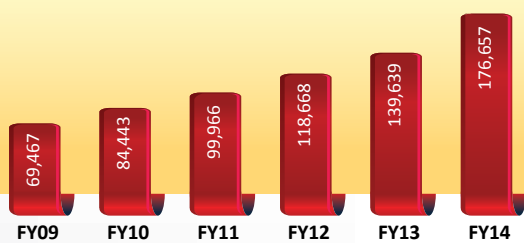
## NET PROFIT (RM'000)

5-year CAGR\* 23.8%



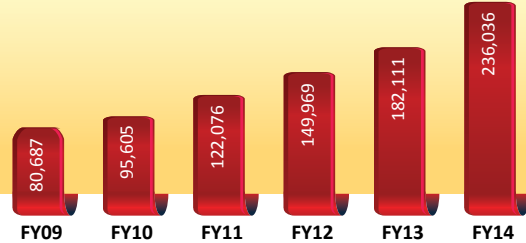
## SHAREHOLDERS' EQUITY (RM'000)

5-year CAGR\* 20.5%

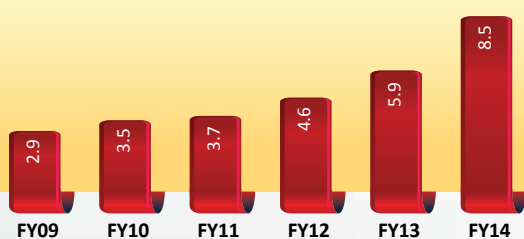


## TOTAL ASSETS (RM'000)

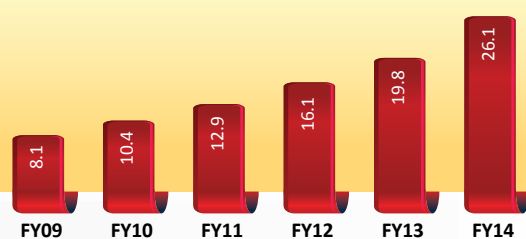
5-year CAGR\* 23.9%



## NET EARNINGS PER SHARE (SEN)



## NET TANGIBLE ASSETS PER SHARE (SEN)



**Summarized Group Income Statements**

<b>Year Ended 30 June (RM'000)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Revenue <sup>(1)</sup>	34,935	47,692	58,833	66,924	76,484	109,872
EBITDA <sup>(2)</sup>	21,937	26,749	30,727	37,168	46,390	64,833
Profit Before Tax	17,315	21,009	22,960	27,610	34,391	50,710
Net Profit	17,198	20,872	22,130	27,344	34,849	50,113

**Summarized Group Balance Sheets**

<b>As At 30 June (RM'000)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Total Non-Current Assets</b>	54,349	62,124	92,287	98,157	102,665	101,328
<b>Total Current Assets</b>	26,338	33,481	29,789	51,812	79,446	134,708
<b>TOTAL ASSETS</b>	80,687	95,605	122,076	149,969	182,111	236,036
Financed By:						
Share Capital	60,105	60,105	60,105	60,105	60,105	60,105
Share Premium	-	-	-	-	-	-
Treasury Shares	-	(158)	(158)	(2,206)	(7,766)	(10,237)
Retained Profits	9,362	24,496	40,019	60,769	87,300	126,789
Shareholders' Equity	69,467	84,443	99,966	118,668	139,639	176,657
Minority Interests	46	-	-	-	3	2
<b>Total Equity</b>	69,513	84,443	99,966	118,668	139,642	176,659
<b>Total Non-Current Liabilities</b>	4,073	4,186	7,474	8,272	8,833	8,971
<b>Total Current Liabilities</b>	7,101	6,976	14,636	23,029	33,636	50,406
<b>TOTAL EQUITY AND LIABILITIES</b>	80,687	95,605	122,076	149,969	182,111	236,036

**Financial Analysis**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Revenue Growth	27.9%	36.5%	23.4%	13.8%	14.3%	43.7%
Profit Before Tax Growth	16.8%	21.3%	9.3%	20.3%	24.6%	47.5%
Net Profit Growth	16.4%	21.4%	6.0%	23.6%	27.4%	43.8%
EBITDA Margin	62.8%	56.1%	52.2%	55.5%	60.7%	59.0%
Pre-tax Profit Margin	49.6%	44.1%	39.0%	41.3%	45.0%	46.2%
Net Profit Margin	49.2%	43.8%	37.6%	40.9%	45.6%	45.6%
Return on Average Equity	28.9%	27.1%	24.0%	25.0%	27.0%	31.7%
Return on Average Total Assets	24.8%	23.7%	20.3%	20.1%	21.0%	24.0%
Net Tangible Assets Per Share (Sen)	8.1	10.4	12.9	16.1	19.8	26.1
Net Earnings Per Share (Sen)	2.9	3.5	3.7	4.6	5.9	8.5

<sup>(1)</sup> Figures have been restated

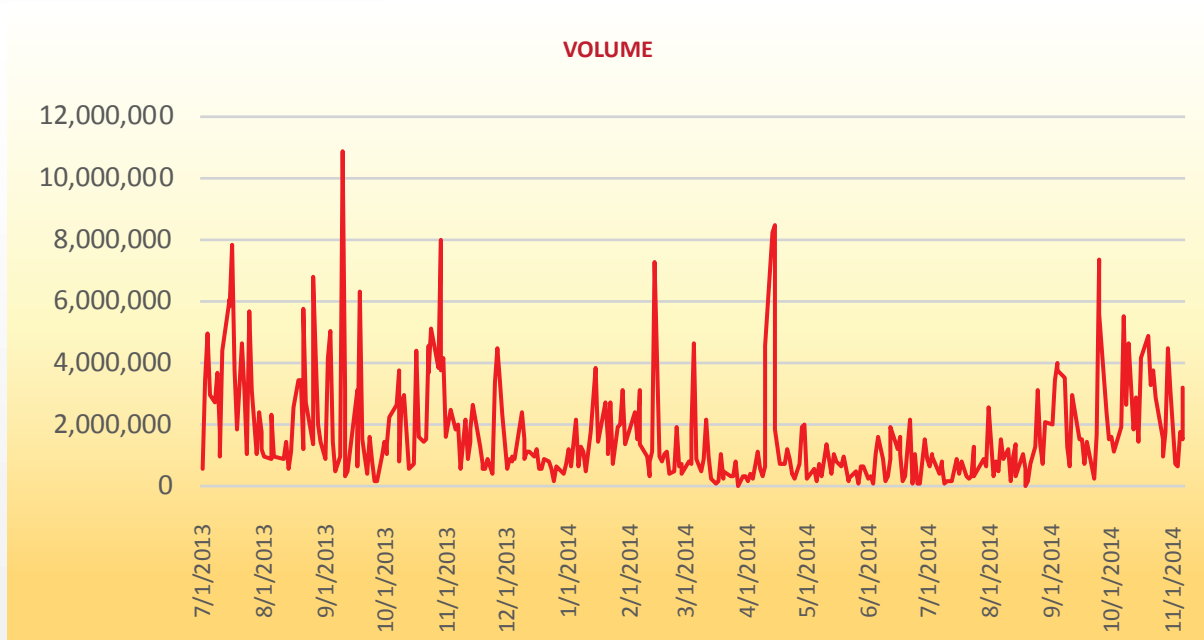
<sup>(2)</sup> EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization





# Share Price Performance

for the Period 1 July 2013 to 7 November 2014



## Share Price Performance

Record High  
Closing Price as at 7 November 2014

RM4.37 (7 November 2014)  
RM4.33

## Market Value Ratios as at 7 November 2014

Market Capitalization  
Historical PE Multiple  
Price/Book Ratio

2,553.8 mil  
51.0x  
16.5x



# Chairman's Statement



*Dear Shareholders,*

*It has been a challenging yet rewarding year for My E.G. Services Berhad and its group of companies ("MYEG" or "the Group") as we enjoyed our eighth consecutive year of growth registering a record profit after tax of RM50.1 million during the year under review. This achievement is an indication of our commitment to deliver quality and innovative electronic Government ("eGovernment") services and at the same time consistently add value to our shareholders.*

On this positive note and on behalf of the Board of Directors of MYEG, I am pleased to present to you our annual report and financial statements for the financial year ended 30 June 2014 ("FY2014").

## OPERATING LANDSCAPE

Global economic activity continued to expand moderately from the second half of 2013 to the first half of 2014, according to reports by Bank Negara Malaysia. The Malaysian economy, however, charted a commendable growth of 4.7% in 2013 and subsequently, attained higher growth of 6.2% and 6.4% in the first and second quarter of 2014 respectively. This came as a result of higher exports and the strengthening of private domestic demand, which is a key factor of MYEG's business performance and success.

From an industry's perspective, the Malaysian Communications and Multimedia Commission ("MCMC") Industry Performance Report 2013 had indicated that Malaysia achieved over 67% household broadband penetration, placing the country in 12<sup>th</sup> position from a list of 146 developing countries. The same report also highlighted that high speed broadband added 126,000 new subscriptions throughout 2013 to a total of 668,000 subscriptions. This upward trend is expected to remain as the Government is committed towards achieving broadband penetration of 75% by 2015, as targeted in the 10<sup>th</sup> Malaysia Plan (2011 – 2015).

Naturally, the growing penetration of household broadband has and will continue to augur well for MYEG. In view of this, MYEG has been single-minded in our efforts to create eGovernment services that are not only innovative, practical and consumer-friendly but can also contribute strongly to the Group's reputation and performance.

## FINANCIAL PERFORMANCE

Embracing the 'we can' spirit and pushing the envelope in terms of technology and service delivery have continued to bear fruits for MYEG. For the financial year ended 30 June 2014, the Group recorded a revenue of RM109.87 million as compared to RM76.48 million in the corresponding year. This represented a noteworthy 43.7% jump in revenue year-on-year, which translated into a sterling 43.8% gain in profit after tax to RM50.1 million as compared to RM34.85 million achieved a year ago.

Clearly, our performance underscores MYEG's ability to consistently maintain a high growth trajectory in terms of profitability. At the Group level, we registered an impressive 23.84% growth in profit after tax on a compounded annual basis, over the last five years.





## Chairman's Statement

cont'd

Our consistent gains have also enabled the Group to maintain a strong balance sheet. As at 30 June 2014, the Group's shareholders' equity climbed to RM176.7 million from RM139.6 million a year ago. In addition, the Group's cash position continued to strengthen in positive territory after achieving a net cash position in FY2013. This allows the Group better flexibility to expand our services and seize opportunities that can further enhance returns for our shareholders.

On this score, we are also pleased to highlight that the Group's earnings per share grew to 8.5 sen (FY2013: 5.9 sen) as at 30 June 2014 while net assets per share stood at 29.95 sen (FY2013: 23.63 sen).

Our commendable performance came on the back of higher transaction volume from our online renewal of foreign workers' permit as well as online transfer of vehicle ownership, which were introduced in the second half of FY2013.

MYEG also recorded significant growth in our existing services, namely, our online renewal of insurance and road tax. We also registered higher contribution from ancillary services related to our core eGovernment services and increased billings following the completion of development work for our associate company during the year under review.

### DIVIDEND

With the excellent results achieved and in appreciation of the loyalty, trust and confidence shown by our valued shareholders, the Board of Directors of MYEG has proposed a final tax exempt dividend of 2.0 sen per ordinary share. This will be in addition to the first interim tax exempt dividend of 0.5 sen per ordinary share paid on 21 May 2014.

Upon shareholders' approval of this final dividend, MYEG would have distributed a total of 2.5 sen per ordinary share in FY2014 (FY2013: 1.8 sen). This constitutes a RM14.97 million in total dividend payout or 30% of FY2014's profit after tax, which is well in line with our dividend policy of distributing a minimum of 30% of our annual profit after tax to shareholders.

### CORPORATE DEVELOPMENTS

#### Memorandum of Understanding between MYEG and Celcom Axiata Berhad (Celcom)

On 2 September 2013, MYEG entered into an MOU with Celcom to jointly explore business opportunities and collaborations that are mutually beneficial to both parties. This business relationship started on a positive note when MYEG and Celcom collaborated on *Pakej Komunikasi Belia* or Youth Communication Package programme, which was spearheaded by the Malaysian Communications and Multimedia Commission to encourage greater smartphone penetration among Malaysians. The programme offered registered and eligible participants a rebate to purchase a new smartphone whereby MYEG developed the IT infrastructure to facilitate the registration and application process.

MYEG and Celcom have also embarked on an initiative to develop a machine-to-machine ("M2M") platform that brings together eGovernment services with advanced mobile broadband technology and applications. One of these platforms is designed for the Customs Online Tax Reporting Electronic Monitoring ("EMS") project as well as the Public Automotive Safety Tracking Implementation ("PASTI") system that is targeted to be launched in 2015.

We remain confident that our collaboration with Celcom will result in significant mutual benefits in the medium to long term. On 3 September 2014 MYEG and Celcom agreed to extend the MOU for another year.

#### Memorandum of Understanding between MYEG and Cradle Fund Sdn Bhd ("CFSB")

CFSB is primarily tasked to manage the fund under the Ministry of Finance's Cradle Investment Programme. The programme is aimed at financing technology-related ideas with commercialisation potential. On 23 October 2013, MYEG and CFSB entered into an MOU to establish a proposed fund of RM60 million for early stage technology companies.

The MOU stipulated that CFSB shall invest RM40 million while MYEG shall invest the remaining RM20 million. The proposed fund will then be administered by a joint venture company to be established between CFSB and MYEG. The fund will invest in equity or equity-oriented early stage start-ups in the area of information communication technology ("ICT"), telecommunications and engineering.

This initiative is in line with MYEG's core competencies in the technology sector as well as our commitment to contribute positively to the growth and success of Malaysia's ICT industry.

#### Customs Online Tax Reporting Electronic Monitoring System

MYEG earned yet another feather to its cap when it received a Letter of Award from the Royal Malaysian Customs Department ("Customs Department") on 13 February 2014 to undertake the EMS project.

This Project entails linking up point-of-sales terminals and cash registers of businesses that are subject to tax collection. Ultimately, the system will enable the Customs Department to effectively monitor revenue from tax collection for the Government. We expect this project to start contributing positively to the earnings of the Group for the financial year ending 30 June 2015 onwards.

#### Incorporation of Car X Services Sdn. Bhd. ("Car X")

On 29 October 2014, My E.G. Capital Sdn. Bhd ("MYEGC") completed the subscription of 800 Ordinary Shares of RM1.00 each representing 80% of the issued and paid-up share capital of Car X for a total cash consideration of RM800.00, thus making Car X a sub-subsidiary of MYEG. The Subscription is to provide a new platform for MYEG to operate and manage automotive classifieds web portal and other value added services for the automotive classifieds web portal.

### Proposed Bonus Issue

On 30 October 2014, the Company has proposed to undertake a bonus issue of up to 601,051,000 new MYEG Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every one (1) existing MYEG Share held on the entitlement date.

The proposed Bonus Issue is the most appropriate avenue of rewarding the existing shareholders of MYEG while at the same time enhance MYEG's capital base.

### FUTURE OUTLOOK

MYEG is well aware of the important role it plays towards nation building. As we continue to develop and operate online services platforms for various Government agencies, we are effectively strengthening the overall public service delivery system for Malaysian citizens and businesses at large.

MYEG undoubtedly is appreciative of the recognition and trust the Malaysian Government has placed on us as reflected in the extension of the eGovernment Services Concession Agreement awarded for a further period of five years commencing from 23 May 2015.

With this extension, we aim to continue to work closely with new and existing government agencies to introduce additional innovative online services. Concurrently, we intend to invest further in advertising and promotional activities to win over more and more Malaysians to the use of services offered by MYEG to facilitate their engagement with Government agencies.

Moving forward, we are confident that with the expansion of online service offerings, the growth in awareness and demand for eGovernment transactions will augur positively to MYEG's performance. The operating landscape is indeed favorable to the Company as the internet penetration rate in Malaysia is expected to rise even further.

Looking at the current trend of ICT development we foresee the internet becoming more and more a part of Malaysians' daily lives. Transacting online for and acquiring products and services will eventually become second nature to all Malaysians.

### CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility ("CSR") remains a priority to MYEG. We believe that by embracing CSR in a holistic manner, from the way we conduct our business activities to our efforts to contribute positively to the growth of the ICT industry, we are able to deliver ever-growing value to our shareholders and other stakeholders.

In view of this, MYEG has spearheaded and supported a wide spectrum of meaningful and relevant programmes that are focused on human capital development, environment conservation, community enrichment and corporate governance, during the year under review.

One of these initiatives was MYEG's contribution to the NSTP-Media Prima Flood Relief Fund, which was aimed at helping those devastated by floods that hit several states across the country towards the end of 2013.

In terms of supporting human capital development, MYEG was the proud partner of the first Social Business Challenge in Malaysia of *myHarapan*. Opened to all Malaysians between the ages of 18-35 years old, the Challenge was centered on generating a business idea as a way to alleviate urban poverty. Those who submitted the best ideas will be awarded with an all-expenses-paid trip to participate and showcase their ideas at the next Global Social Business Summit 2014 in Mexico.

MYEG is also a firm believer in developing our very own talent pool. Towards this end, MYEG has established an education subsidy scheme that allows our employees to enhance their skills and knowledge through accredited training and educational programmes. By taking advantage of this subsidy scheme, our employees will not only be able to improve their self-value and employability but also contribute further to MYEG in terms of improved productivity and innovation in the foreseeable future.

As a responsible corporate citizen, MYEG has made donations to charitable organisations, sponsoring under-privileged students and charity events organised by school societies and will continue to support causes which may help Malaysians.

### CORPORATE GOVERNANCE

MYEG is steadfast in its commitment towards embracing high standards of corporate governance as we believe it is integral towards ensuring that the Group operates in a way that is sustainable across its value chain. A review of the Group's corporate governance policies and initiatives is highlighted in the Statement on Corporate Governance that is included in this Annual Report.

### ACKNOWLEDGEMENT

MYEG remains committed in the strive to achieve our vision of becoming a recognised high-value provider of globally-competitive information technology services. It is naturally important that we acknowledge and thank those who have helped us deliver another record year of growth and profitability.

On behalf of MYEG, I would like to thank the Malaysian Government and its various agencies for their trust and confidence in us.

I would also like to convey our sincere appreciation to MYEG's Board of Directors for their guidance and wisdom in steering the Group to its continued success.

Without any doubt, our achievements would not have been reached without the support, commitment and hard work of our large pool of dedicated and talented employees. Kudos and thank you to all our employees.

Last but not least, we would like to extend our appreciation and gratitude to our customers, business associates, vendors and consultants for the continued support and cooperation extended to us.

**Dato' Dr. Norraesah binti Haji Mohamad**  
*Executive Chairman*



# Business Review

*MYEG has remained steadfast in our commitment towards delivering eGovernment services in a seamless, practical and effective manner. This is achieved by continuously improving operations and processes throughout our value chain. The results can be seen through our record breaking profit after tax of RM50.1 million that was archived on the back of a revenue of RM109.87 million during the year under review.*

Operational highlights in FY2014 include:

- **Expansion of commercial products and services**

In June 2014, MYEG, in an exclusive partnership with RHB Bank Berhad, launched *MyEG-RHB Visa Credit Card*. The Card enables the user to be rewarded up to 5X Reward Points when he or she pays for utility bills, renews road tax or utilises the card for any services offered by MYEG.

*MyEG-RHB Visa Credit Card* provides an excellent platform for MYEG to reach out to more potential users while at the same time creates an opportunity to enhance our earnings stream.

Along the same lines, MYEG had, on 1 July 2014, subscribed 50.66% of the equity interest in MYEG Marketing for a total cash consideration of RM650,000. MYEG intends to leverage on MYEG Marketing's expertise to develop and introduce more commercial products and services similar to *MyEG-RHB Visa Credit Card*.

On 29 October 2014, My E.G. Capital Sdn. Bhd ("MYEGC") completed the subscription of 800 Ordinary Shares of RM1.00 each representing 80% of the issued and paid-up share capital of Car X for a total cash consideration of RM800.00, thus making Car X a sub-subsidiary of MYEG. The Subscription is to provide a new platform for MYEG to operate and manage automotive classifieds web portal and other value added services for the automotive classifieds web portal.

- **Permanent Ownership Transfer System**

MYEG's role in developing technologies that can offer greater convenience to Malaysians was reflected in the successful roll-out of its Permanent Ownership Transfer System or *Sistem Tukar Milik Sukarela ("STMSR")*. With this system, vehicle owners are able to make ownership transfers without visiting the Road Transport Department (JPJ) office.

Permanent Ownership Transfer can now take place anywhere and anytime, provided that both the owner and the buyer have registered with MYEG's 1Malaysia Identification services ("1MID").

- **Enhancing road safety**

MYEG is making positive progress in the development of PASTI system, an advanced safety and monitoring system for commercial buses and lorries.

The PASTI system will be able to consistently monitor the driver, their driving behavior as well as track the moving vehicle. The system will provide 'live' tracking, whereby the vehicle's position and condition can be accessed in 'real-time'.

We are confident that PASTI will pave the way towards higher road safety standards as well as strengthening MYEG's reputation as a highly capable developer of advanced systems and technologies.

## OUTLOOK

MYEG is firmly set on its course to achieve greater success and is focused on leveraging on its core competencies and proven track record to deliver practical, relevant and high quality services that will benefit the lives of all Malaysians.

Concurrently, MYEG is also tapping into new frontiers and opportunities; offering technologically advanced solutions and systems such as the EMS and PASTI system. EMS will help Government enhance its tax collection efficiency while PASTI targets at improved delivery standards and provide safety to human lives.

To further diversify, MYEG is also embarking to introduce various commercial services. One of the new services is the electronic mobile payment wallet “iPayEasy”. Together with our co-branded *MyEG-RHB Visa Credit Card*, we have established smart partnerships which link the Food and Beverages and entertainment businesses to launch the country’s first electronic mobile payment wallet service. These efforts will be augmented with a robust advertising and promotional campaign to elevate MYEG’s brand affinity in the country.

With positive economic growth trend we expect the ever-growing access to high speed broadband and state-of-the-art mobile telecommunication devices to continue and will translate into an expansion in demand for eGovernment services and advanced ICT infrastructure.

In view of MYEG’s strategic direction and positive operating landscape, we are confident that the outlook for the financial year ending 30 June 2015 will continue to be favorable and encouraging.

# Events Highlight

## EXCLUSIVE PARTNERSHIP WITH RHB BANK

RHB Bank and MYEG has launched the *MyEG-RHB Visa credit card* in June 2014. This exclusive partnership will deliver greater rewards to customer, where the cardholders will enjoy free road tax renewal for national cars during the campaign period.

In addition to this, MyEG will introduce to merchants and consumers the iPayEasy system, a secure and convenient hybrid mobile payment system that ensures security and accessibility to its customers via their smart phones.

## TELEVISION REALITY SHOW

MYEG launched the Third Season of “Make the Pitch” in July 2013 due to overwhelming response and will continue with the fourth season of this reality show in 2015.

## SPONSORSHIP OF EVENTS

MyEG was one of the sponsors for the 3rd Regional World Islamic Economic Forum (“WIEF”) online Marketing Workshop that was held in February 2014 at Casablanca, Morocco. The aim of this workshop is to educate women entrepreneurs on the importance and potential of online marketing.

MyEG was also one of the sponsors for the Royal Arts Gala 2013 of My Performing Arts Agency (“MyPAA”) with the National Department for Culture and Arts (“JKKN”) that aims to serve as a platform of support to the performing arts and creative ventures via fund raising.

## MEMORANDUM OF UNDERSTANDING

MYEG has extended the MOU with Celcom Axiata Berhad in Sept 2014 for another year to jointly explore possible business opportunities and collaboration in the areas of eGovernment services delivery and joint go-to-market for specific target market segments.





## Directors' Profile



**DATO' DR NORRAESAH BINTI HAJI MOHAMAD**  
*Executive Chairman*

**Dato' Dr Norraesah Binti Haji Mohamad**, a Malaysian aged 66, was appointed to the Board on 18 August 2006.

She graduated with a Bachelor of Arts (Hons) Economics from University of Malaya in 1972. In 1982, she obtained her Masters in International Economics Relations from International Institute of Public Administration, France and Masters in International Economics and Finance from University of Paris I, Pantheon-Sorbonne, France. She further obtained a PhD (Economics Science) International Economics and International Finance from University of Paris I, Pantheon-Sorbonne, France in 1986. She has over forty two (42) years of working experience in the field of banking, consultancy, telecommunication, international trade and commerce.

She was with the Government of Malaysia from 1972 to 1988, serving the Ministry of Trade and Industry and the Ministry of Finance. In 1988, she left the public sector to join the private sector, starting with ESSO Production Malaysia Inc. She later assumed the position of Managing Director with a consulting firm which provides financial and investment advisory services. She was later appointed as the Chief Representative of Credit Lyonnais Bank in Malaysia in 1991, a position she held until 1998. She was the Chairman of Bank Kerjasama Rakyat Malaysia from 2000 to 2003.

She is currently the Chairman of the World Islamic Businesswomen Network of the World Islamic Economic Forum ("WIEF") and sits on it's Board of Trustees and is a member of the International Advisory Panel.

She was also a member of UMNO Supreme Council from 2000 to 2013. She was appointed as a Senator in 2005 and held the position until 2008.

She sits on the Board of Directors of Adventa Berhad, Malaysian Genomics Resource Centre Berhad and Utusan Melayu (Malaysia) Berhad, all of which are listed on Bursa Malaysia Securities Berhad. She also sits on the Board of Directors of several private limited companies.

She does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company nor does she has any convictions for offences within the past 10 years, except for traffic offences, if any.

She has attended all five (5) Board meetings held in the financial year ended 30 June 2014. She holds 4,060,000 ordinary shares directly in the Company.



## Directors' Profile

cont'd



**WONG THEAN SOON**  
*Managing Director*

**Wong Thean Soon**, a Malaysian aged 43, was appointed to the Board on 6 March 2000. He is a member of the Remuneration Committee.

In 1995, he graduated from the National University of Singapore with a Bachelor Degree in Electrical Engineering. He has accumulated more than 19 years of experience in the ICT industry with his involvement in designing, implementing and maintenance of communication applications on the Internet in various technology companies, both local and abroad. He commenced his career in the ICT industry in 1995 with Cybersource Pte Ltd, Singapore as co-founder and Executive Director of the company. During his tenure there, he oversaw the development of PictureMail, an integrated graphical e-mail package, which was licenced to Sony, among others. He was also in charge of developing and marketing an additional product, the Global Messaging System, which was licenced to paging operators in the Asian region including EasyCall International of Australia and Lenso Paging of Thailand.

He subsequently founded Tecnochannel Technologies Sdn Bhd in 1997 and formed marketing and manufacturing partnerships with a range of MNCs to develop and market Internet devices, where such devices were successfully marketed in China. He successfully listed Tecnochannel Technologies Sdn Bhd on the American Exchange via the holding company known as MyWeb Inc.com in 1999.

He resigned from the Chief Executive Officer position at Tecnochannel Technologies Sdn Bhd in 2000 and co-founded MYEG in the same year. He was one of the pioneering members of MYEG Group and has been instrumental in establishing and managing the operations of MYEG Group. He is responsible for formulating and implementing business policies and corporate strategies of MYEG Group as well as prominently spearheading the progress and development of MYEG Group. He also sits on the board of several private limited companies. He does not hold any directorships in any other public or public listed company.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company nor does he has any convictions for offences within the past 10 years, except for traffic offences, if any.

He has attended all five (5) Board meetings held in the financial year ended 30 June 2014. He holds 44,226,006 ordinary shares directly in the Company and 196,657,998 ordinary shares indirectly in the Company.



**TAN SRI DATO' DR MUHAMMAD RAIS BIN ABDUL KARIM**  
*Independent Non-Executive Director*

**Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim**, a Malaysian aged 68, was appointed to the Board on 31 December 2008. He is the Chairman of the Audit & Risk Management and Remuneration Committees. He also is a member of the Nomination Committee.

He had served in the Government of Malaysia for 38 years from 1969 to 2007. During his career with the public service of the Government of Malaysia, he held various distinguished positions, among them are Vice Chancellor, Universiti Pendidikan Sultan Idris, Tanjung Malim, Perak (11 February 2004 - 31 August 2007), Director General, Malaysian Administrative Modernisation and Management Planning Unit ("MAMPU"), Prime Minister's Department, Kuala Lumpur (16 July 1996 - 13 March 2003), Deputy Director General, Public Service Department, Kuala Lumpur, Malaysia (16 May 1994 - 15 July 1996) and Director, National Institute of Public Administration ("INTAN"), Bukit Kiara, Kuala Lumpur, Malaysia (16 June 1991 - 15 May 1994).

He was also appointed by His Majesty The Yang Dipertuan Agong to the Royal Commission To Enhance the Operations and Management of the Royal Malaysian Police Force ("PDRM") between 11 February 2004 to 10 May 2005.

Currently, he is the Non-Executive Chairman of Goodyear Malaysia Berhad, a Director of Malaysian Director's Academy ("MINDA"), and also an Independent Non-Executive Director in both Felda Plantation Sdn Bhd and Felda Global Ventures Downstream Sdn Bhd. He is also the Honorary Treasurer of Muslim Welfare Organisation Malaysia ("PERKIM") and the Chairman of PERKIM's National Cooperative Society ("KOPERKIM").

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company nor does he has any convictions for offences anytime in the past, except for traffic offences, if any.

He has attended all five (5) Board meetings held in the financial year ended 30 June 2014. He holds 2,003,000 ordinary shares directly in the Company and 1,700,000 ordinary shares indirectly in the Company.

## Directors' Profile

cont'd



**DATO' RAJA HAJI MUNIR SHAH BIN RAJA MUSTAPHA**  
*Executive Director*

**Dato' Raja Haji Munir Shah Bin Raja Mustapha**, a Malaysian aged 51, was appointed to the Board on 20 May 2004.

He started his career as an Operations Executive between 1985 and 1987 in Wagon Engineering Sdn Bhd where he was involved in the daily administrations of the company. He resigned in 1987 to join Bumi Kekal Bekal Sdn Bhd as the Branch Manager. He subsequently left in 1988, in the course of his career there, he further obtained a Diploma in Business Studies from Peterborough Regional College, United Kingdom in 1988 and later served as a Director in SP Maju Sdn Bhd between 1992 till 1998. During his tenure in SP Maju Sdn Bhd, he oversaw the business operations, finance and day-to-day management functions of the company.

In 1997, he was elected to head the Tanjong UMNO Youth Division and subsequently appointed as the State UMNO Youth Information Chief until his tenure ended in 2004. He was appointed as a City Councilor in 1997, 1998, 2003 and 2004. During his tenure as a Councilor in Penang Island Municipal Council ("MPPP"), he served as Chairman and Committee Member in various standing committees overseeing legislatives and policy matters within the jurisdiction of MPPP which covers the island of Penang.

In 2008, he was elected as Deputy Head of the UMNO Tanjung Division, a position he held until early 2014.

He is currently a Director of Longstore Logistics (M) Sdn Bhd and sits on the board of several private limited companies. He does not hold any directorships in any other public or public listed company.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company nor does he has any convictions for offences within the past 10 years, except for traffic offences, if any.

He has attended four (4) Board meetings held in the financial year ended 30 June 2014. He holds 409,900 ordinary shares directly in the Company and 186,657,998 ordinary shares indirectly in the Company.



**NG FOOK AI, VICTOR**  
*Independent Non-Executive Director*

**Ng Fook Ai, Victor**, a Singaporean aged 66, was appointed to the Board on 2 January 2008. He is also a member of the Audit & Risk Management Committee.

He holds a B.Sc (Econs)(Hons) and a M.Sc (Econs) from the University of London, where he was awarded the University's Convocation Book Prize (First) and the Lord Hailsham Scholarship. He is currently a Visiting Professor (Energy Economics) at China Academy of Sciences, New Energy Institute (Guangzhou), People's Republic of China.

He was awarded the PBM (Community Services) for his social contributions by the President of the Republic of Singapore in 1992. He also sponsors the Victor Ng Fund, a bursary scheme for graduate students at Birkbeck College, University of London.

Victor has been investing in Asia for over 20 years and in China since 1996. With experience across a range of industry sectors, he has particular expertise in the energy, water and clean technology fields.

He is the founder and Executive Chairman of New Asia Assets, an Asian headquartered investment company focused on investing in Greater China. Victor has also founded and managed a number funds focussed on China, including China Growth Opportunities, a £50 million UK listed fund that focuses on private equity

investment in China, and Changjiang Investment, a US\$100 million fund. He is also the Chairman of Rockstead Capital Fund Ltd, a regulated fund management.

He has over 40 years of experience in financial advisory services and he was a former Principal/ Consulting Partner of KPMG Singapore. He is a Non-Executive Director and Audit Committee Chairman of Singapore listed SHC Capital Asia Ltd, an investment holding company. He is also a Non-Executive Director of Hong Kong listed Sunshine 100 Property Group Ltd, a commercial and residential real estate developer in Hong Kong. He does not hold any directorships in any other public or public listed company.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company nor does he has any convictions for offences within the past 10 years, except for traffic offences, if any.

He has attended four (4) Board meetings held in the financial year ended 30 June 2014.

He does not hold any shares in the Company.

## Directors' Profile

cont'd



**DATUK MOHD JIMMY WONG BIN ABDULLAH**  
*Independent Non-Executive Director*

**Datuk Mohd Jimmy Wong Bin Abdullah**, a Malaysian aged 52, was appointed to the Board on 18 August 2006. He is also a Chairman of the Nomination Committee and member of the Audit & Risk Management and Remuneration Committees.

Upon completing his secondary education in 1981, he began his career with the Royal Malaysian Police starting off as a new recruit. In 1994, he was stationed on a 2-year Diplomatic Mission in Wisma Putra in Guangzhou, China until 1996. In that same year, he completed his Diploma in Business Studies from Jinan University, Guangzhou, China.

During his service with the Royal Malaysian Police, he was promoted several times and had risen from the ranks before retiring in 2002. He does not hold any directorships in any other public or public listed company.

He does not have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest with the Company nor does he has any convictions for offences within the past 10 years, except for traffic offences, if any.

He has attended all five (5) Board meetings held in the financial year ended 30 June 2014. He holds 552,000 ordinary shares directly in the Company.





**DATO' SHAMSUL ANUAR BIN HAJI NASARAH**  
*Independent Non-Executive Director*

**Dato' Shamsul Anuar Bin Haji Nasarah**, a Malaysian aged 47, was appointed to the Board on 1 November 2013.

He graduated with an Executive Diploma in Counseling from University of Malaya ("UM") and he has obtained his Master in Public Administration at the College of Law, Government and International Studies of University Utara Malaysia ("UUM").

He has very extensive experience in youth movement. Since his young age, he had joined and led several youth movements in Malaysia as well as internationally. He had held various positions and had risen among the ranks to be the Deputy President of the Perak State Youth Council (2004-2005) and President of the Malaysian Youth Council (2006-2009). Internationally, he was involved and held several positions in the ASEAN Youth Organisation ("CAYC"), Asian Youth Association ("AYC") and the World Assembly of Youth ("WAY"). He was also involved in numerous policies formulation of the Ministry of Youth and Sports, namely the National Youth Policy, the National Master Plan for Youth Development and the National Youth Development Act, 2006.

He was formerly the Chairman of the Youth Development and Research Institute of Malaysia (IPPBN) of the Ministry of Youth and Sports Malaysia (2007-2009) and a former board member of the Federal Agricultural Marketing Authority ("FAMA") of the Ministry of Agriculture and Agro-Based Industry Malaysia (2009 – 2013). He is currently the Chairman of the National Higher Education Fund Corporation ("PTPTN") and a Member of Parliament for the constituency of Lenggong, Perak.

He does not have any family relationship with any other Directors and/or major shareholders of the Company or any conflict of interest with the Company nor does he has any convictions for offences within the past 10 years, except for traffic offences, if any.

He has attended three (3) Board Meetings held in the financial year ended 30 June 2014. He does not hold any directorship in any other public or public listed company and does not hold any shares in the Company.





# Corporate Governance Statement

The Board of Directors (“the Board”) of MYEG is committed to ensure that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance 2012 (“the Code”) are observed and practised throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders’ investment and ultimately enhancing shareholders’ value.

The Board is pleased to provide the following statement of how the Group has applied the principles and complied with the best practices outlined in the Code and Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

## **ESTABLISH CLEAR ROLES AND RESPONSIBILITIES**

### **Board Roles and Responsibilities**

The Group is led by an effective and experienced Board with members from diverse backgrounds and specialisations possessing a wide range of expertise in areas such as finance, corporate affairs, accounting and marketing. Collectively, they bring a broad range of skills, experience and knowledge which gives added strength to the leadership in managing and directing the Group’s operations.

In defining its roles and responsibilities, the Board has on 24 Oct 2013, adopted a Board Charter that sets out its roles, functions, composition, operation and processes, that are in line with the principles of good corporate governance and requirements of MMLR of Bursa Securities. The Board Charter further defines the roles and responsibilities of the Chairman and the Managing Director. The Board Charter is available on MYEG’s website ([www.myeg.com.my](http://www.myeg.com.my)).

As set out in the Board Charter, the Board is responsible for:

- reviewing and adopting a strategic plan for the Group;
- overseeing the conduct of our Group’s businesses to evaluate whether our businesses are being properly managed;
- identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management;
- developing and implementing a Corporate Disclosure Policy (including an investor relations programme) for the Group;
- reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- ensuring that the Company’s financial statements are true and fair and conform with the accounting standards; and
- ensuring that the Company adheres to high standards of ethics and corporate behaviour.

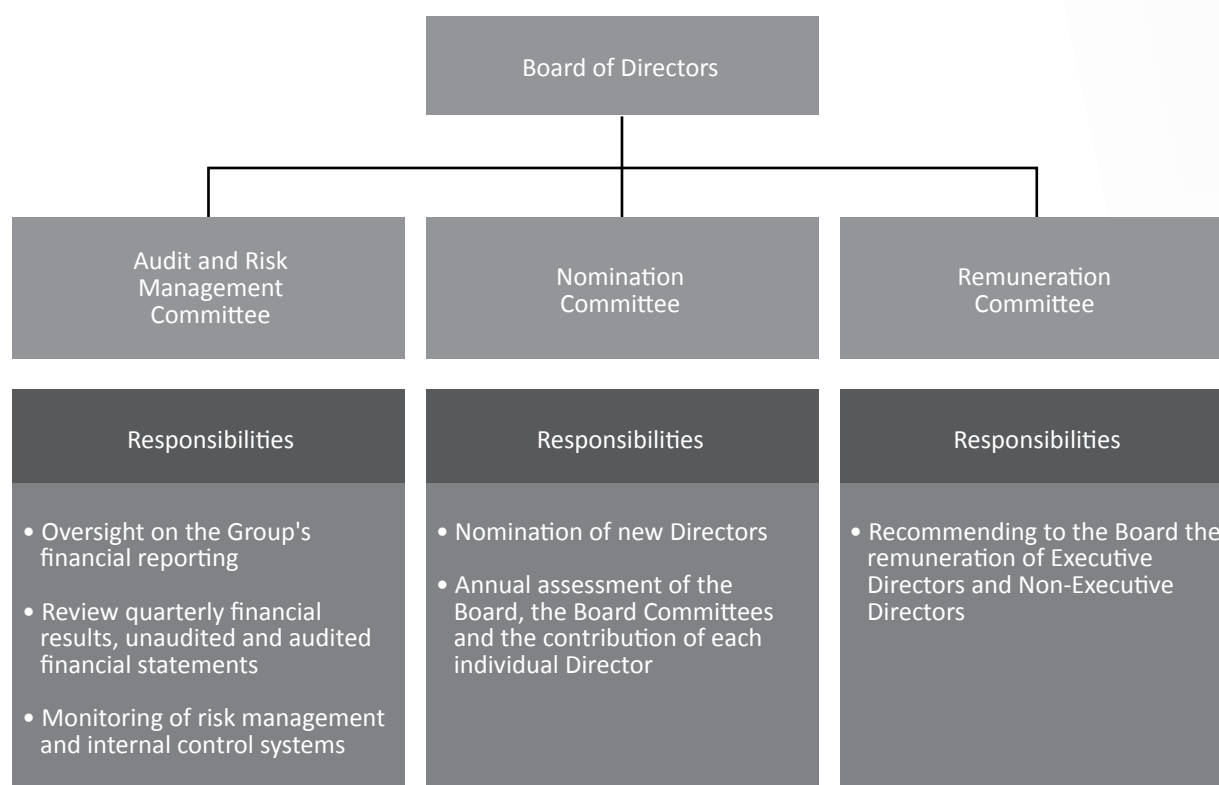
The Board has delegated certain responsibilities to Board Committees, which operate in accordance with the Terms of Reference approved by the Board. The Board has also delegated the day to day management of the business of the Group to Executive Directors and Management subject to an agreed authority limit.

The Executive Directors are primarily responsible for the implementation of policies and decisions of the Board, overseeing the Group’s operations as well as co-ordinating the development and implementation of business and corporate strategies. The role of the Independent Non-Executive Directors is to provide objective and independent judgement to the decision making of the Board and as such, provide an effective check and balance to the Board’s decision making process.

## ESTABLISH CLEAR ROLES AND RESPONSIBILITIES *Cont'd*

### Board Roles and Responsibilities *Cont'd*

The following diagram shows a brief overview of the Board Committees of the Company:



### Code of Conduct and Whistle-Blowing Policy

The Board acknowledges and emphasises the importance for all Directors and employees to embrace the highest standards of corporate governance practices and ethical standards.

In this respect, the Board has formalised a Code of Ethics and Code of Conduct since Oct 2013. These codes are aimed to emphasise the Company's commitment to ethics and compliance with applicable laws and regulations, set forth basic standards of ethical behaviour within the Group.

The Board has also established a Whistle-Blowing Policy so that any officer/employee or stakeholder of the Group may report genuine concerns relating to any malpractice or improper conduct related to the Group's businesses. Disclosure can be made in writing to the Chairman of the Audit and Risk Management Committee. Any whistle blowing officer or employee acting in good faith is protected from retaliation for raising such allegations. Procedures are in place for investigations and appropriate follow-up action.

### Sustainability

The Board recognises the importance of sustainability and its increasing relevance to the Group's business activities. The Board is committed towards implementing sustainable practices in order to achieve the right balance between the needs of the wider community and the requirements of shareholders, stakeholders and business growth.



# Corporate Governance Statement

cont'd

## **ESTABLISH CLEAR ROLES AND RESPONSIBILITIES** *Cont'd*

### **Sustainability** *Cont'd*

Since October 2013, the Board has adopted the Sustainability Policy which aims to integrate the principles of sustainability into the Group's strategies, policies and procedures. It also ensure that the Board and senior management are directly involved in the implementation of sustainability practices and the monitoring of sustainability performance. This Policy also aims to create a culture of sustainability within the Group, and the community, with an emphasis on integrating the environmental, social and governance considerations into the decision making process.

Details of the Corporate Social Responsibility are presented on page 9 of this Annual Report.

### **Supply and Access to Information**

All Directors are provided with an agenda and a set of Board papers prior to the Board meetings. Sufficient notice is given to the Directors to review the said documents.

Generally, the Board papers circulated include minutes of the previous meeting, quarterly and annual financial statements, corporate developments, minutes of Board Committees' meetings, acquisition and disposal proposals, updates from the Bursa Securities, list of directors' circular resolutions passed and report on the Directors dealings in securities, if any.

The Directors, whether as a full Board or in their individual capacity, have unrestricted access to all information pertaining to the Group's business and affairs. This is to enable them to carry out their duties effectively and diligently. As and when necessary, the Board may obtain independent professional advice, at the Company's expense, in the furtherance of their duties.

### **Company Secretaries**

Every Director has unhindered access to the advice and services of the Company Secretaries. The Board believes that the current Company Secretaries are capable of carrying out their duties efficiently to ensure the effective functioning of the Board. In the event that the Company Secretaries fail to fulfil their functions effectively, the terms of their appointment do permit their removal and appointment of a successor by the Board.

The Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference and brief the Board members on the updates quarterly. They also ensure that all Board meetings are properly convened and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and maintained in the statutory register at the registered office of the Company. The External Auditors also briefed the Board members on any Financial Reporting Standards that would affect the Group's financial statements during the year.

## **STRENGTHEN COMPOSITION**

The Board comprises seven (7) members, of whom three (3) are Executive Directors (including the Chairman) and four (4) are Independent Non-Executive Directors. The Board has complied with the requirement for one third (1/3) of its members to be independent as stated in Paragraph 15.02(1) of the MMLR of Bursa Securities. There is no individual Director or group of Directors who dominates the Board's decision making.

With this composition of members, the Board is satisfied that it fairly reflects the investment of the minority shareholders and represents the required mix of skills and experience required for the effective discharge of the Board's duties and responsibilities.

A brief profile of each Director is presented on pages 13 to 19 of the Annual Report.

## STRENGTHEN COMPOSITION *Cont'd*

### Nomination Committee

The Nomination Committee ("NC") comprises two (2) members, all of whom are Independent Non-Executive Directors:

- Datuk Mohd Jimmy Wong Bin Abdullah (Chairman, Independent and Non-Executive Director)
- Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim (Member, Independent and Non-Executive Director)

The roles and responsibilities of the NC include the nomination and screening of board member candidates; the recommendation to the Board of the candidates to fill the seats on the various Board Committees; the annual assessment of the effectiveness of the Board as a whole, the committees of the Board and the contributions of each individual Directors; and the annual review of the required mix of skills and experience, including core competencies which Non-executive Directors should bring in to the Board.

The Board is of the opinion that the appointment of a Senior Independent Non-executive Director is not necessary at this stage as the Chairman fully encourages active participation of each and every Board member during Board meetings.

### Summary of Activities Undertaken by the NC

During the financial year ended 30 June 2014, the activities of the NC included the following:

- Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy as stated in the Company's Corporate Governance Statement to ensure compliance.
- Assessed and reviewed the independence and continuing independence of the Independent Directors.
- Assessment of the effectiveness and performance of the Board, Directors and Board Committees for the financial year ended 30 June 2014.

This is carried out through a self-assessment document that is completed by each director and reviewed by the NC. Assessment criteria include the following:

- Board Structure
- Board Operation
- Management Relationship
- Board Roles and Responsibilities
- Board Chairman's Role and Responsibilities
- Performance of Board Committee
- Integrity and ethics, contribution of each individual director including Managing Director/Group Executive Officer
- The mix of skills and experience of each individual Director including the core competencies of the Non-Executive Directors
- Reviewed and assessed the training needs of each Director.
- Determined the Directors to stand for re-election at the 2014 Annual General Meeting.
- Reviewed the character, experience, integrity and competence of Financial Controller to ensure that he has the time to discharge his duties.

### Board Membership Criteria

The NC is responsible for determining the appropriate characteristics, skills, and experience of the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience relevant to the business. All Directors are expected to be individuals with integrity, high personal and professional ethics, sound business judgment, and who are willing to commit sufficient time to the Board.

In evaluating the suitability of individual Board members, the Board takes into account several factors, including skills, knowledge, expertise, experience, professionalism and time commitment to effectively discharge his or her role as a Director, contribution, background, character, integrity and competence.



# Corporate Governance Statement

cont'd

## **STRENGTHEN COMPOSITION** *Cont'd*

### **Board Membership Criteria** *Cont'd*

The Board evaluates each individual in the context of the Board as a whole. The ultimate objective is to recommend a team who can best perpetuate the success of the Company's businesses and represent shareholders' interests through the exercise of sound judgment.

The Board has no specific policy on setting targets on female candidates to be appointed to the Board. The Board currently has one (1) female Director. With the current composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively. The NC will however continue to take steps to ensure suitable female candidates are sought as part of its recruitment exercise.

In accordance with the Company's Articles of Association, at least one third (1/3) or the number nearest to one third (1/3) of the Directors, including the Managing Director, shall be subject to retirement by rotation once in every three (3) years. In accordance with Section 129(6) of the Companies Act, 1965, Directors over the age of seventy (70) are required to retire annually. All retiring Directors shall be eligible for re-election or re-appointment.

Names of Directors who are seeking re-election at the coming Annual General Meeting ("AGM") are shown in the notice of the AGM on page 114.

### **Board Evaluation**

The NC is responsible for conducting an annual evaluation of the performance of the Board and Board Committees. The annual evaluation includes the assessment of independence of Independent Directors.

The NC had performed the annual evaluation for financial year ended 30 June 2014 on 28 Oct 2014. The NC had reviewed and assessed the mix of skills and experience of the Board including the core competencies of both Executive and Non-executive Directors, size of the Board, contribution of each director and effectiveness of the Board, including Independent Non-executive Directors, and Board Committees.

Based on the assessment, the NC was satisfied with the existing Board composition and was of the view that all Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and had performed competently and effectively. All assessments and evaluations carried out by the NC in the discharge of all its functions were properly documented.

### **Remuneration Committee**

The Remuneration Committee ("RC") consists of two (2) Non-Executive Directors, all of whom are independent and the Managing Director. The members of the RC are as follows:

- Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim (Chairman, Independent and Non-Executive Director)
- Datuk Mohd Jimmy Wong Bin Abdullah (Member, Independent and Non-Executive Director)
- Wong Thean Soon (Member, Managing Director)

The Board believes in a remuneration policy that fairly supports the Directors' ability to carry out his or her responsibilities and fiduciary duties in steering and growing the Group with a view to enhance shareholders value in a sustainable manner.

The RC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits and are guided by market norms and best industry practices. The RC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Director and performance of the Group.

Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package.

# Corporate Governance Statement

cont'd

## STRENGTHEN COMPOSITION *Cont'd*

### Remuneration Committee *Cont'd*

The RC recommends the Directors' fees payable to Non-Executive Directors of the Board and are deliberated and decided at the Board before it is presented at the AGM for shareholders' approval.

The aggregate remuneration of the Executive Directors and Non-Executive Directors for the financial year ended 30 June 2014 is as follows:

	Fees RM'000	Salaries RM'000	Other Emoluments RM'000	Benefits In Kind RM'000	Total RM'000
Executive Directors	488	-	-	-	488
Non-Executive Directors	204	-	-	-	204
Total	692	-	-	-	692

Details of the number of Directors whose remuneration fall into each successive bands of RM50,000 are as follows:

Remunerations Bands	Executive Directors	Non-Executive Directors	Total
Below RM50,000	-	1	1
RM50,001 – RM100,000	-	2	2
RM100,001 – RM150,000	1	-	1
RM150,001 – RM200,000	2	-	2

For security and confidential reasons, the details of individual Directors' remuneration are not shown. The Board is of the opinion that the transparency and accountability aspects of corporate governance as applicable to Director's remuneration are appropriately served by the disclosure made above.

## REINFORCE INDEPENDENCE

The Board recognises the importance of independence and objectivity in its decision making process which is in line with the Code.

### Annual Assessment of Independence

The concept of independence adopted by the Board is in tandem with the definition of an Independent Director in paragraph 1.01 of the MMLR of Bursa Securities. The key element for fulfilling the criteria is the appointment of an Independent Director who is not a member of management and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.

The Board, via the NC, assesses Independent Director's annually.

For the financial year ended 30 June 2014, the Board assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the MMLR of Bursa Securities. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company.





# Corporate Governance Statement

cont'd

## **REINFORCE INDEPENDENCE** *Cont'd*

### **Tenure of Independent Directors**

The Board is mindful of the recommendation of the Code on limiting the tenure of Independent Directors to nine (9) years of service. However, the Board may, in appropriate cases and subject to the assessment of the NC on an annual basis, retain an Independent Director who has served a consecutive or cumulative term of nine (9) years to continue to serve as Independent Director subject to shareholders' approval.

Currently, the Board does not have any long-serving Independent Non-executive Director who has served a consecutive or cumulative term of nine (9) years.

### **Chairman and Managing Director**

There is a clear division of responsibilities between the roles of the Chairman and Managing Director to ensure that there is equilibrium of power and authority in managing and directing the Group. The Chairman is primarily responsible for the effective and efficient conduct and working of the Board whilst the Managing Director oversees the day-to-day management of Group's business operations and implementation of policies and strategies adopted by the Board.

Dato' Dr Norraesah Binti Haji Mohamad is the Chairman of the Board whilst the Group Managing Director is Wong Thean Soon.

The Board delegates to the Group Managing Director (supported by Executive Directors and the Management) the implementation of the Company's strategic plan, policies and decision adopted by the Board to achieve the Company's objective of creating long term value for its shareholders.

## **FOSTER COMMITMENT**

### **Time Commitment**

The Board meets at least four (4) times a year or more when circumstances require. Where appropriate, decisions are also made by way of circular resolutions in between scheduled meetings during the financial year.

Senior management and/or external advisors may be invited to attend Board meetings to advise and/or furnish the Board with information and clarification needed on relevant items on the agenda to enable the Directors to arrive at a considered decision.

All Board meetings are furnished with proper agendas with due notice issued and Board papers and reports are prepared by the Management and circulated prior to the meetings to all Directors with sufficient time to review them for effective discussions and decision making during the meetings.

All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretary.

# Corporate Governance Statement

cont'd

## FOSTER COMMITMENT *Cont'd*

### Time Commitment *Cont'd*

The Board met 5 times during the financial year under review. The details of Directors' attendance are set out as follows:

NAME OF DIRECTORS	TOTAL MEETINGS ATTENDED	%
Dato' Dr Norraesah Binti Haji Mohamad (Executive Chairman)	5/5	100%
Wong Thean Soon (Managing Director)	5/5	100%
Dato' Raja Haji Munir Shah Bin Raja Mustapha (Executive Director)	4/5	80%
Datuk Mohd Jimmy Wong Bin Abdullah (Independent Non-Executive Director)	5/5	100%
Ng Fook Ai, Victor (Independent Non-Executive Director)	4/5	80%
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim (Independent Non-Executive Director)	5/5	100%
Dato' Shamsul Anuar Bin Haji Nasarah (Independent Non-Executive Director) (Appointed on 1/11/2013)	3/3	100%

It is the Board's policy for Directors to notify the Chairman before accepting any new directorship notwithstanding that the MMLR of Bursa Securities allows a Director to sit on the boards of five (5) listed issuers.

### Directors' Training

The Board acknowledges the importance of constantly updating itself on the industry's direction and development. They are provided with the opportunity for training in areas such as new laws and regulations, financial reporting, risk management and investor relations in order to equip themselves with the knowledge to effectively discharge their duties.

During the financial year, the newly appointed Director had completed the Mandatory Accreditation Programme pursuant to the requirement of Bursa Securities. Some of the directors had also attended the Corporate Governance Guide issued by the Malaysian Institute of Accountants on 25 March 2014, apart from reading circulars issued by Bursa Securities and other technical, professional, financial and business literature to enhance their knowledge and enable them to discharge their duties more effectively.

The Directors were briefed by the Company Secretaries on the various amendments to the MMLR of Bursa Securities.



# Corporate Governance Statement

cont'd

## UPHOLD INTEGRITY IN FINANCIAL REPORTING

### Financial Reporting

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The Audit and Risk Management Committee ("ARMC") assists the Board in reviewing the information to be disclosed, to ensure the completeness, accuracy and adequacy of financial disclosures.

The ARMC comprises three (3) members, all of whom are Independent Non-executive Directors. The composition of the ARMC, including its roles and responsibilities are set out on pages 31 to 36 under ARMC Report of this Annual Report.

### Suitability and Independence of Internal and External Auditors

Through the ARMC, the Board maintains a transparent relationship with the Internal and External Auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. From time to time, the Internal and External Auditors will highlight to the ARMC and the Board on matters that require their attention.

The Internal Auditors meet the ARMC at least 4 times a year. During such meeting, the auditors highlight and discuss the nature, scope of the audit, audit programme, internal controls and issues that may require the attention of the ARMC or the Board.

In compliance with MMLR of Bursa Securities and the Code, the ARMC within its duties reviews the scope of work, independence, objectivity and findings and recommendations of the audits conducted by both the Internal and External Auditors.

The ARMC ensures external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the External Auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, strategic decision, internal audit and standard operating policies and procedures documentation.

During the financial year under review, the fees for External Auditors were RM99,000 in audit fee and RM3,000 for non-audit fee for services rendered by the External Auditors to the Group for the financial year ended 30 June 2014.

The External Auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The ARMC also makes arrangements to meet and discuss with the Internal and External Auditors separately without the presence of Management on any matters relating to the Group and its audit activities.

## DIRECTORS RESPONSIBILITY STATEMENT

The Board is required to present the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs, the results and cash flows of the Group and the Company.

The Board is satisfied that in preparing the financial statements at the Group and the Company for the financial year ended 30 June 2014, the appropriate accounting policies were used and applied consistently, adopted to include new and revised Malaysian Financial Reporting Standards ("MFRS") where applicable. The Board is also at the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

## RECOGNISE AND MANAGE RISKS

The Board is ultimately responsible for the establishment of a sound framework to manage risks. The ARMC is responsible to formulate and implement risk management policies and strategies. The ARMC also monitors and manages principal risks exposure by ensuring Management has taken necessary steps to mitigate such risks and recommends actions, where necessary.

The Statement on Risk Management and Internal Control set out on pages 37 to 38 of this Annual Report provides an overview of the state of risk management activities within the Group.

### Internal Audit Function

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. The ARMC is assigned by the Board with the duty to review the adequacy and effectiveness of control procedures and report to the Board on major findings for deliberation.

The membership, terms of reference and activities of ARMC as well as the activities of the internal audit function are detailed in the ARMC Report of this Annual Report.

## ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

### Corporate Disclosure Policies and Procedures

Since Oct 2013, the Board has formalised a Corporate Disclosure Policies and Procedures which aims at developing an effective Investor Relations programme and strategy to communicate fairly and accurately, the corporate vision, strategies, developments, financial results and prospects to investors, financial community and other stakeholders and to obtain feedback from the stakeholders.

This policy also serves as a guide to promote and demonstrate a high standard of integrity and transparency through timely, accurate, quality and full disclosure. The Board has identified spokespersons in the handling and disclosure of material information.

### Leverage on Information Technology for Effective Dissemination of Information

The Group maintains a corporate website at [www.myeg.com.my](http://www.myeg.com.my) which provides information relating to corporate information, financial information, stock information, newsroom and information request. The public can also direct queries through the dedicated email contact provided in the said website.

## STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Board recognises the importance of effective communication with shareholders and the investment community, and adheres strictly to the disclosure requirements of Bursa Securities.

The Annual General Meeting ("AGM") is the principal forum for dialogue with the shareholders. At the AGM, the Board provides for opportunity for shareholders to raise questions pertaining to the business activities of the Group. All Directors are available to respond to questions from the shareholders at the AGM. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders.

Notices of AGM and annual reports will be sent to the shareholders at least 21 days ahead of the meeting date to enable shareholders to have sufficient time to peruse the annual report and papers supporting the resolutions proposed.



# Corporate Governance Statement

cont'd

## **STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS** *Cont'd*

The Board encourages participation at general meetings and encourages poll voting by informing the shareholders of their right to demand for poll.

To keep the shareholders and investors informed on the Group's latest business and corporate development, information is disseminated via Annual Report, circular to shareholders, press releases, quarterly financial results and various announcements made from time to time to Bursa Securities.

## **COMPLIANCE STATEMENT**

The Board confirms that the Group has made significant effort to maintain high standards of corporate governance throughout the year under review. The Board acknowledges that achieving excellence in corporate governance is a continuous process and is committed to play a pro-active role in steering the Group towards the highest level of integrity and ethical standards. This statement is made in accordance with the resolution of the Board of Directors dated 25 November 2014.

# Audit and Risk Management Committee Report

The Board of Directors of MYEG is pleased to present the ARMC Report for the financial year ended 30 June 2014.

## MEMBERSHIP

As at the date of this Annual Report, the members of the ARMC comprise the following members:

Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	-	Chairman, Independent Non-Executive Director
Datuk Mohd Jimmy Wong Bin Abdullah	-	Independent Non-Executive Director
Ng Fook Ai, Victor	-	Independent Non-Executive Director

## ARMC MEETINGS

The ARMC convened five (5) meetings during the financial year ended 30 June 2014. The meeting was appropriately structured through the use of agendas, which were distributed to members with sufficient notification and attached with comprehensive information on matters to be discussed. The details of attendance of the ARMC member during the financial year ended 30 June 2014 are as follows:

ARMC Members	Meetings Attended
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim (Chairman)	5/5
Datuk Mohd Jimmy Wong Bin Abdullah	5/5
Ng Fook Ai, Victor	5/5

Details of the members of the ARMC are contained in the Profile of Directors as set out on pages 13 to 19 of this Annual Report.

The Company Secretary or her representative was present at all the meetings. Upon invitation, representatives of the External Auditors and the Senior Management Staff also attended specific meetings. The Chairman of the ARMC reported to the Board of Directors on matters deliberated during the ARMC Meetings and minutes of ARMC Meetings were circulated to all the members of the Board.

For the financial year under review, the ARMC held two (2) meetings with the Internal Auditors and two (2) meetings with the External Auditor without the presence of the Management to discuss any issues or significant matters, which the Internal and External Auditors wished to raise.


## COMPOSITION AND TERMS OF REFERENCE

The Terms of Reference of the ARMC are as follows:

### 1. Composition

The ARMC shall be appointed from amongst the Board and shall comprise no fewer than three (3) members, a majority of whom shall be independent directors and all shall be non-executive directors, at least one (1) member must be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved by the Bursa Securities. No alternate director shall be appointed as a member of the ARMC.





# Audit and Risk Management Committee Report

cont'd

## COMPOSITION AND TERMS OF REFERENCE *Cont'd*

### 1. **Composition** *Cont'd*

In the event of any vacancy with the result that the number of members is reduced to below three, the vacancy shall be filled within two (2) months but in any case not later than three (3) months. Therefore a member of the ARMC who wishes to retire or resign should provide sufficient written notice to the Board so that a replacement may be appointed before he leaves.

The Board shall review the terms of office and performance of ARMC members at least once in every three (3) years.

### 2. **Chairman**

The Chairman, who shall be elected by the ARMC, shall be an independent director. In event of the Chairman's absence, the meeting shall be chaired by another independent director.

### 3. **Secretary**

The Company Secretary shall be the Secretary of the ARMC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to the meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the ARMC and circulating them to the ARMC Members. The ARMC Members may inspect the minutes of the ARMC at the Registered Office or such other place may be determined by the ARMC.

### 4. **Meetings**

The ARMC shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.

The ARMC may call for a meeting as and when required with reasonable notice as the ARMC Members deem fit. The ARMC Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

The ARMC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the ARMC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

All decisions at such meeting shall be decided on a show of hands on a majority of votes.

The ARMC shall meet at least two (2) times a year with the Internal and External Auditors to discuss any matters without the presence of the management and any executive members of the Board.

## COMPOSITION AND TERMS OF REFERENCE *Cont'd*


### 5. Rights

The ARMC shall:

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Group which is required for the purpose of discharging its functions and responsibilities;
- d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity and senior management of the Company;
- e) have the right to obtain independent professional or other advice at the Company's expense;
- f) have the right to convene meetings with the Internal and External Auditors, excluding the attendance of the executive members of the audit committee, whenever deemed necessary;
- g) promptly report to the Bursa Securities, or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board resulting in a breach of the listing requirements;
- h) have the right to pass resolutions by a simple majority vote from the ARMC and that the Chairman shall have the casting vote should a tie arise;
- i) meet as and when required on a reasonable notice;
- j) the Chairman shall call for a meeting upon the request of the External Auditors.

### 6. Duties

- a) To review with the External Auditors on:
  - the audit plan, its scope and nature;
  - the audit report;
  - the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group;
  - the assistance given by the officers of the Company to External Auditors, including any difficulties or disputes with Management encountered during the audit; and
  - Any other matters the External Auditors may wish to discuss in the absence of the management, if necessary
- b) To review the adequacy of the scope, functions and resources and set the standards of the internal audit function.
- c) To review the internal audit programme, processes the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- d) To review with management:
  - audit reports and management letter issued by the External Auditors and the implementation of audit recommendations;
  - interim financial information; and
  - the assistance given by the officers of the Company to External Auditors.



# Audit and Risk Management Committee Report

cont'd

## COMPOSITION AND TERMS OF REFERENCE *Cont'd*

### 6. Duties *Cont'd*

- e) To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis, normal commercial terms, on terms not more favourable to the related parties than those generally available to the public, to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- f) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board, focusing particularly on:
  - changes in or implementation of major accounting policy and practices;
  - significant and/or unusual matters arising from the audit;
  - the going concern assumption;
  - compliance with accounting standards and other legal requirements; and
  - major areas.
- g) To consider the appointment and/or re-appointment of auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors.
- h) To review and approve the non-audit services provided by the External Auditors and/or its network firms to the Company for the financial year, including the nature of the non-audit services, fees for the non-audit services relative to the external audit fees and safeguards deployed to eliminate or reduce the threat to objectivity and independence in the conduct of the External Audit resulting from the non-audit services provided.
- i) To verify any allocation of options in accordance with the employees share scheme of the Company, at the end of the financial year.
- j) To review the adequacy of Company's risk management framework, monitor principal risks that affect the Company and evaluate risk management and mitigation measures in place.
- k) To assess the adequacy and effectiveness of the risk management process, system of internal controls and accounting control procedures of the Company.
- l) To review the statement with regard to the state of risk management and internal controls of the Company for inclusion in the Annual Report and report the same to the Board.
- m) Communication and monitoring of risk management results to the Board.

### 7. Review of ARMC

The Board shall review the term of office and performance of the ARMC and each of its members at least once every three (3) years to determine whether the ARMC and its members have carried out their duties in accordance with their terms of reference.

# Audit and Risk Management Committee Report

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## SUMMARY OF ACTIVITIES UNDERTAKEN BY THE ARMC

During the financial year under review, the following activities were undertaken by the ARMC, including the deliberation on and review of:

- (a) the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of relevant authorities, prior to the submission to the Board for their approval and release of the Group's results to Bursa Securities.
- (b) the annual report and annual audited financial statements of the Group and of the Company prior to submission to the Board of Directors for their consideration and approvals.
- (c) the audit plan of the External Auditors in terms of their scope of audit prior to their commencement of the annual audit.
- (d) the External Auditors' report in relation to audit and accounting issues arising from the audit; matters arising from the audit of the Group in meetings with the External Auditors without the presence of the executive Board members and management.
- (e) the re-appointment of External Auditors and their audit fees, after taking into consideration the independence and objectivity of the External Auditors and the cost effectiveness of their audit, before the recommendation to the Board for approval.
- (f) the internal audit reports which outlined the recommendations towards correcting areas of weaknesses and ensure that there were management action plans established for the implementation of the internal auditors' recommendation.
- (g) the effectiveness of the internal auditors and the re-appointment of Internal Auditors and made the appropriate recommendation to the Board.
- (h) the ARMC Report and Statement on Risk Management & Internal Control before recommending the same to the Board for approval.
- (i) the related party transactions entered into by the Group to ensure that they were not detrimental to the interests of minority shareholders.
- (j) the extent of the Group and of the Company's compliance with the provisions set out under the Code for the purpose of preparing the Corporate Governance Statement and Statement of Internal Control pursuant to Listing Requirements of Bursa Securities and the Code.

## TRAINING AND EDUCATION

During the financial year, the ARMC members attended the Corporate Governance Guide issued by Bursa Securities by the Malaysian Institute of Accountants on 25 March 2014, apart from reading circulars issued by Bursa Securities and other technical, professional, financial and business literature to enhance their knowledge and enable them to discharge their duties more effectively.



# Audit and Risk Management Committee Report

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## INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to an independent professional firm, which reports directly to the ARMC and assists the Board in monitoring and managing risks and internal controls. The function is designed to evaluate and enhance risk management, control and governance processes to assist Management in achieving its corporate goals.

The results of the reviews were formally reported to the ARMC. The internal audit reviews conducted did not reveal significant weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in the annual report. Senior Management has taken note of the findings and duly acted upon the recommendations made by the internal audit function.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 37 to 38.





# Statement on Risk Management and Internal Control

## INTRODUCTION

The Board of MY E.G. Services Berhad (“MYEG” or “the Group”) is pleased to present its Statement on Risk Management and Internal Control (“Statement”) for the financial year ended 30 June 2014, which has been prepared pursuant to paragraph 15.26(b) of the Bursa Securities MMLR and as guided by Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers (“the Guidelines”). This statement outlines the nature and state of the internal controls of the Group.

## BOARD’S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure shareholders’ interest and the Group’s assets are safeguarded.

Given the inherent limitations in the risk management and internal control system, such a system put into effect by Management is designed to manage rather than eliminate risks that may impede the achievement the Group’s corporate objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities.

## RISK MANAGEMENT FRAMEWORK

The Board also recognises that risk management should be an integral part of the business operation.

On a day-to-day basis, respective Heads of Departments are responsible for managing risks related to their functions or departments. Weekly management meetings are held to ensure that the risks faced by the Group are monitored and properly addressed. It is at these meetings that key risks and corresponding controls implemented are communicated amongst the senior management team. Significant risks identified are subsequently brought to the attention of the Board at their scheduled meetings.

The Board, through the ARMC has established the Risk Management Working Group (“RMWG”), comprising of key management staff, to carry out risk management activities. RMWG reports to the ARMC, which oversees the adequacy and effectiveness of the risk management practices. The board, through the ARMC, provides oversight of the entire risk management framework of the Group.

The abovementioned risk management practices of the Group are the on-going process of identifying, evaluating and managing significant risks that may affect the Group’s achievement of its corporate objectives for the year under review and up to the date of approval of this statement by the Board.

## INTERNAL AUDIT FUNCTION

The Group’s internal audit function is outsourced to an independent professional firm which reports directly to the ARMC. The internal audit function assists the Board and AC in providing independent assessment of the effectiveness and adequacy of the Group’s system of internal controls.

During the financial year ended 30 June 2014, the internal audit function carried out audits in accordance with the internal audit plan approved by the ARMC and also other areas of significance that were recommended by the Management to the AC. The results of the internal audit reviews and the recommendations for improvement were presented to the AC at their quarterly meetings.



# Statement on Risk Management and Internal Control

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## INTERNAL AUDIT FUNCTION *Cont'd*

In addition, follow up reviews were also conducted to ensure that corrective actions have been implemented in a timely manner. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report. The total costs incurred for the internal audit function for the financial year ended 30 June 2014 was RM 41,123.

## OTHER KEY ELEMENTS OF INTERNAL CONTROLS

The other key elements of the Group's internal control systems are:

- (i) Quarterly review of the financial performance of the Group by the ARMC and the Board.
- (ii) Clearly defined and structured lines of reporting and responsibility.
- (iii) Operations review meetings are held to monitor the progress of business operations, deliberate significant issues and formulate corrective measures.
- (iv) Documented internal policies as set out in a series of memorandums to various departments within the Group.
- (v) Whistle Blowing Policy which provides an avenue for employees to report suspected malpractices, misconduct or violations of the Company's policies and regulations in a secured and confidential manner.

## ASSURANCE

The Managing Director and Financial Controller have provided assurance to the Board on the adequacy and effectiveness of the Group's risk management and internal controls, in all material aspects.

## CONCLUSION

The Board is of the view that the Group's system of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal controls and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal controls. The Group's risk management process, internal audit review and internal control system do not apply to associate where the Group does not have full management control.

## REVIEW BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide ("RPG") 5 (revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

# Additional Compliance Information

## 1. SHARE BUY-BACKS

The shareholders of the Company at the Thirteenth Annual General Meeting held on 19 December 2013, granted authority to the Company to repurchase its own shares provided that the aggregate number of shares purchased do not exceed 10% percent of the total issued and paid-up share capital of the Company.

During the financial year under review, the Company had bought back 1,139,200 Ordinary Shares from the open market of its own share, all of which are held as treasury shares. A monthly breakdown of treasury shares bought back during the financial year under review is set out below:

Month of Buy-Back	No. of shares bought-back	Lowest price paid for each share (RM)	Highest price paid for each share (RM)	Average price per share (RM)	Total consideration paid (including transaction costs) (RM)
August 2013	100,000	1.67	1.67	1.67	167,718.10
September 2013	197,800	1.78	1.91	1.85	366,654.78
October 2013	400,000	1.91	1.94	1.93	776,323.90
March 2014	10,000	2.88	2.88	2.88	29,010.44
May 2014	430,400	2.54	2.70	2.62	1131215.42
<b>Total</b>	<b>1,139,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,470,922.64</b>

As at 30 June 2014, the Company had bought back 11,237,800 Ordinary Shares and all retained as treasury shares.

## 2. OPTIONS OR CONVERTIBLE SECURITIES

The Company did not issue any options or convertible securities in respect of the financial year ended 30 June 2014.

## 3. DEPOSITORY RECEIPT ("DR") PROGRAMME

During the financial year ended 30 June 2014, the Company did not sponsor any DR programme.

## 4. SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by any regulatory bodies during the financial year.



## Additional Compliance Information

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### 5. NON- STATUTORY AUDIT FEES

The amount of non-audit fees incurred for services rendered by the External Auditors to the Group for the financial year ended 30 June 2014 amounted to approximately RM3,000.

### 6. MATERIAL CONTRACTS

There were no material contracts subsisting at the end of financial year ended 30 June 2014 entered into by the Company and its subsidiaries involving the interests of the Directors and major shareholders.

### 7. REVALUATION POLICY ON LANDED PROPERTIES

The Group does not have a revaluation policy on landed properties as it does not hold any landed properties.

### 8. VARIATION IN RESULTS

There was no deviation of 10% or more between the results of the financial year ended 30 June 2014 as per the audited financial statements and the unaudited results previously announced.

### 9. PROFIT GUARANTEE

The Company did not make any arrangement during the financial year which requires profit guarantee.

### 10. CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company involved Directors' and Major Shareholders' interests.

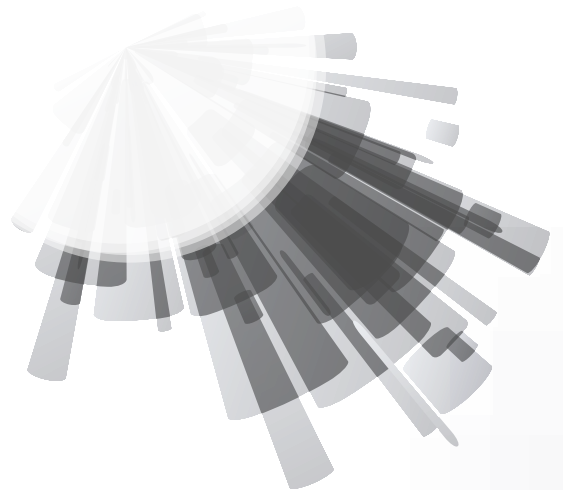
### 11. UTILISATION OF PROCEEDS

The Company did not implement any fund raising exercise during the financial year.



# Financial Statements

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# Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2014.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of development and implementation of the Electronic Government Services project and the provision of other related services for the Electronic Government Services project, as well as investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	50,113	37,357
Attributable to:-		
Owners of the Company	50,114	37,357
Non-controlling interest	(1)	-
	50,113	37,357

## DIVIDENDS

The dividends declared and paid by the Company during the financial year are as follows:-

	RM'000
In respect of the financial year ended 30 June 2013:-	
Paid a final tax-exempt dividend of 1.30 sen per ordinary share on 24 January 2014	7,673
In respect of the financial year ended 30 June 2014:-	
Paid an interim tax-exempt dividend of 0.50 sen per ordinary share on 21 May 2014	2,952

The directors propose the payment of a final tax-exempt dividend of 2.00 sen per ordinary share in respect of the current financial year. The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting and has not been included as a liability in the financial statements.

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

#### **ISSUES OF SHARES AND DEBENTURES**

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

#### **TREASURY SHARES**

During the financial year, the Company purchased 1,138,200 of its issued ordinary shares from the open market at an average price of RM2.17 per share. The total consideration paid for the purchase was RM2,471,000 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965 and are presented as a deduction from equity.

As at 30 June 2014, the Company held as treasury shares a total of 11,236,800 of its 601,051,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM10,237,000. Relevant details on the treasury shares are disclosed in Note 19 to the financial statements.

#### **OPTIONS GRANTED OVER UNISSUED SHARES**

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

#### **BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

#### **CURRENT ASSETS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.



# Directors' Report

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## VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 40 to the financial statements. At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

## DIRECTORS

The directors who served since the date of the last report are as follows:-

Dato' Dr Norraesah Binti Haji Mohamad  
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim  
Wong Thean Soon  
Dato' Raja Haji Munir Shah Bin Raja Mustapha  
Datuk Mohd Jimmy Wong Bin Abdullah  
Ng Fook Ai, Victor  
Dato' Shamsul Anuar Bin Haji Nasarah (Appointed on 1.11.2013)

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.10 Each			
	At 1.7.2013	Bought	Sold	At 30.6.2014
<i>Direct Interests in the Company</i>				
Dato' Dr Norraesah				
Binti Haji Mohamad	6,960,000	-	(300,000)	6,660,000
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	2,503,000	-	-	2,503,000
Wong Thean Soon	50,426,006	200,000	(8,500,000)	42,126,006
Dato' Raja Haji Munir Shah				
Bin Raja Mustapha	409,900	-	-	409,900
Datuk Mohd Jimmy Wong Bin Abdullah	552,000	-	-	552,000

### *Indirect Interests in the Company*

Tan Sri Dato' Dr Muhammad				
Rais Bin Abdul Karim <sup>(1)</sup>	1,700,000	-	-	1,700,000
Wong Thean Soon <sup>(2)</sup>	189,657,998	22,770,000	(14,270,000)	198,157,998
Dato' Raja Haji Munir Shah				
Bin Raja Mustapha <sup>(3)</sup>	189,657,998	12,770,000	(14,270,000)	188,157,998

(1) Indirect interest through his wife's and son's shareholdings by virtue of Section 134(12)(c) of the Companies Act 1965 in Malaysia.

(2) Indirect interests through his interests in Asia Internet Holdings Sdn. Bhd. ("AIH"), Asia Internet E-Services Holdings Sdn. Bhd. ("AIEH") and Radio Port Limited ("RPL").


(3) Indirect interests through his interests in Asia Internet Holdings Sdn. Bhd. ("AIH") and Asia Internet E-Services Holdings Sdn. Bhd. ("AIEH").

By virtue of their shareholdings in the Company, Wong Thean Soon and Dato' Raja Haji Munir Shah Bin Raja Mustapha are deemed to have interests in shares in the Company and its related corporations, in accordance with Section 6A of the Companies Act 1965 in Malaysia.

The other directors holding office at the end of the financial year have no interest in shares in the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with related parties as disclosed in Note 37 to the financial statements.



# Directors' Report

cont'd

## **DIRECTORS' BENEFITS** *Cont'd*

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events during the year are disclosed in Note 42 to the financial statements.

## **SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD**

The significant events occurring after the reporting period are disclosed in Note 43 to the financial statements.

## **AUDITORS**

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed In accordance with a resolution of the directors dated 28 October 2014

**Wong Thean Soon**

**Dato' Raja Haji Munir Shah Bin Raja Mustapha**



# Statement by Directors

We, Wong Thean Soon and Dato' Raja Haji Munir Shah Bin Raja Mustapha, being two of the directors of My E.G. Services Berhad, state that, in the opinion of the directors, the financial statements set out on pages 50 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 30 June 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 46 on page 109, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 28 October 2014

**Wong Thean Soon**

**Dato' Raja Haji Munir Shah Bin Raja Mustapha**

## Statutory Declaration

I, Wong Thean Soon, being the director primarily responsible for the financial management of My E.G. Services Berhad, do solemnly and sincerely declare that the financial statements set out on pages 50 to 108 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by  
Wong Thean Soon, I/C No. 710604-08-5153  
at Kuala Lumpur in the Federal Territory  
on this 28 October 2014

**Wong Thean Soon**

Before me  
**Lai Din**  
No: W 668  
Commissioner for Oaths





# Independent Auditors' Report

## To the Members of MY E.G. SERVICES BERHAD

(Incorporate in Malaysia) Company No: 505639-K

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of My E.G. Services Berhad, which comprise the statements of financial position as at 30 June 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 108.

#### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.



**Independent Auditors' Report**  
**To the Members of MY E.G. SERVICES BERHAD**  
(Incorporate in Malaysia) Company No: 505639-K  
cont'd

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**OTHER REPORTING RESPONSIBILITIES**

The supplementary information set out in Note 46 on page 109 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**OTHER MATTERS**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Horwath**  
*Firm No: AF 1018*  
Chartered Accountants

28 October 2014

Kuala Lumpur

**Ooi Song Wan**  
*Approval No: 2901/10/16 (J)*  
Chartered Accountant

# Statements of Financial Position

At 30 June 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	-	-	13,196	13,196
Investment in an associate	6	-	-	400	400
Equipment	7	76,544	77,531	23,774	25,729
Other investments	8	2,090	1,734	-	-
Development costs	9	9,968	10,674	6,264	7,157
Goodwill on consolidation	10	12,016	12,016	-	-
Deferred tax asset	11	710	710	-	-
		101,328	102,665	43,634	46,482
<b>CURRENT ASSETS</b>					
Trade receivables	12	19,000	13,552	2,212	1,950
Other receivables, deposits and prepayments	13	29,304	12,846	24,780	8,178
Amount owing by subsidiaries	14	-	-	8,010	12,468
Amount owing by an associate	15	64,351	34,622	41,651	33,172
Tax refundable		107	37	94	-
Fixed deposits with licensed banks	16	8,378	7,619	6,785	6,026
Cash and bank balances	17	13,568	10,770	10,012	9,456
		134,708	79,446	93,544	71,250
<b>TOTAL ASSETS</b>		<b>236,036</b>	<b>182,111</b>	<b>137,178</b>	<b>117,732</b>

*The annexed notes form an integral part of these financial statements.*

# Statements of Financial Position

At 30 June 2014

cont'd

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	60,105	60,105	60,105	60,105
Treasury shares	19	(10,237)	(7,766)	(10,237)	(7,766)
Retained profits	20	126,789	87,300	77,861	51,129
		176,657	139,639	127,729	103,468
Non-controlling interest	5	2	3	-	-
TOTAL EQUITY		176,659	139,642	127,729	103,468
NON-CURRENT LIABILITIES					
Long-term borrowings	21	8,093	8,155	1,062	2,139
Deferred tax liabilities	24	878	678	878	678
		8,971	8,833	1,940	2,817
CURRENT LIABILITIES					
Trade payables	25	16,381	15,795	605	6,761
Other payables and accruals		3,910	3,211	2,832	2,752
Amount owing to subsidiaries	14	-	-	-	388
Deferred revenue	26	19,940	10,620	-	-
Provision for taxation		237	53	-	40
Short-term borrowings	27	9,938	3,957	4,072	1,506
		50,406	33,636	7,509	11,447
TOTAL LIABILITIES		59,377	42,469	9,449	14,264
TOTAL EQUITY AND LIABILITIES		236,036	182,111	137,178	117,732
Net assets per share (sen)	28	29.95	23.63		

The annexed notes form an integral part of these financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2014

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
REVENUE	29	109,872	76,484	62,318	49,039
COST OF SALES	29	(21,816)	(10,473)	(7,422)	(3,115)
GROSS PROFIT		88,056	66,011	54,896	45,924
OTHER INCOME		373	57	373	53
		88,429	66,068	55,269	45,977
ADMINISTRATIVE EXPENSES		(23,503)	(19,654)	(13,585)	(12,416)
OTHER EXPENSES		(13,253)	(11,226)	(3,828)	(5,215)
FINANCE COSTS		(963)	(797)	(220)	(332)
PROFIT BEFORE TAXATION	30	50,710	34,391	37,636	28,014
INCOME TAX EXPENSE	31	(597)	458	(279)	(158)
PROFIT AFTER TAXATION		50,113	34,849	37,357	27,856
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		50,113	34,849	37,357	27,856
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		50,114	34,849	37,357	27,856
Non-controlling interest		(1)	#	-	-
		50,113	34,849	37,357	27,856
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		50,114	34,849	37,357	27,856
Non-controlling interest		(1)	#	-	-
		50,113	34,849	37,357	27,856
EARNINGS PER SHARE (SEN)					
- Basic	32	8.5	5.9		
- Diluted	32	Not applicable	Not applicable		

# - represents an amount less than RM1,000.

The annexed notes form an integral part of these financial statements.

# Statements of Changes in Equity

For the financial year ended 30 June 2014



The Group	Note	Non-Distributable		Distributable		Non-Controlling interest	Total Equity
		Share Capital	Treasury Shares	Retained Profits	Attributable To Owners Of The Company		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2012		60,105	(2,206)	60,769	118,668	-	118,668
Subscription of shares in a subsidiary by non-controlling interest		-	-	-	-	3	3
Profit after taxation/Total comprehensive income for the financial year		-	-	34,849	34,849	#	34,849
Contributions by and distributions to owners of the Company:							
- Purchase of treasury shares	19	-	(5,560)	-	(5,560)	-	(5,560)
- Dividends	33	-	-	(8,318)	(8,318)	-	(8,318)
		-	(5,560)	(8,318)	(13,878)	-	(13,878)
Balance at 30.6.2013/1.7.2013		60,105	(7,766)	87,300	139,639	3	139,642
Profit after taxation/Total comprehensive income for the financial year		-	-	50,114	50,114	(1)	50,113
Contributions by and distributions to owners of the Company:							
- Purchase of treasury shares	19	-	(2,471)	-	(2,471)	-	(2,471)
- Dividends	33	-	-	(10,625)	(10,625)	-	(10,625)
		-	(2,471)	(10,625)	(13,096)	-	(13,096)
Balance at 30.6.2014		60,105	(10,237)	126,789	176,657	2	176,659

# - represents an amount less than RM1,000.

The annexed notes form an integral part of these financial statements.



## Statements of Changes in Equity

For the financial year ended 30 June 2014

cont'd

The Company	Note	Non-Distributable Share Capital RM'000	Treasury Shares RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance at 1.7.2012		60,105	(2,206)	31,591	89,490
Profit after taxation/Total comprehensive income for the financial year		-	-	27,856	27,856
Contributions by and distributions to owners of the Company:					
- Purchase of treasury shares	19	-	(5,560)	-	(5,560)
- Dividends	33	-	-	(8,318)	(8,318)
		-	(5,560)	(8,318)	(13,878)
Balance at 30.6.2013/1.7.2013		60,105	(7,766)	51,129	103,468
Profit after taxation/Total comprehensive income for the financial year		-	-	37,357	37,357
Contributions by and distributions to owners of the Company:					
- Purchase of treasury shares	19	-	(2,471)	-	(2,471)
- Dividends	33	-	-	(10,625)	(10,625)
		-	(2,471)	(10,625)	(13,096)
Balance at 30.6.2014		60,105	(10,237)	77,861	127,729

The annexed notes form an integral part of these financial statements.

# Statements of Cash Flows

For the financial year ended 30 June 2014

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		50,710	34,391	37,636	28,014
Adjustments for:-					
Allowance for impairment losses on trade receivables	1	24	-	-	-
Amortisation of development costs		1,480	1,390	893	746
Depreciation of equipment		11,680	9,812	2,843	4,469
Interest expense		963	797	220	332
Gain on disposal of equipment		-	(4)	-	-
Equipment written off		93	-	93	-
Interest income		(373)	(53)	(373)	(53)
Operating profit before working capital changes		64,554	46,357	41,312	33,508
(Increase)/Decrease in trade and other receivables		(21,907)	(769)	(16,864)	975
Increase/(Decrease) in trade and other payables		1,285	7,372	(6,076)	5,507
Increase in deferred revenue		9,320	3,420	-	-
Increase in amount owing by an associate		(25,700)	(10,950)	(4,450)	(9,500)
CASH FLOWS FROM OPERATIONS		27,552	45,430	13,922	30,490
Interest paid		(963)	(797)	(220)	(332)
Income tax paid		(283)	(356)	(213)	(248)
NET CASH FROM OPERATING ACTIVITIES		26,306	44,277	13,489	29,910

The annexed notes form an integral part of these financial statements.

# Statements of Cash Flows

For the financial year ended 30 June 2014  
cont'd

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Advances to associates		(4,029)	(7,366)	(4,029)	(7,366)
Development costs paid		(774)	(910)	-	-
Interest received		373	53	373	53
Net repayment from subsidiaries		-	-	4,070	3,177
Placement of deposits pledged with licensed banks		(1,126)	(583)	(1,158)	(13)
Proceeds from disposal of equipment		2	474	2	43
Purchase of equipment	34	(4,268)	(9,800)	(983)	(1,309)
Purchase of other investments		(356)	(1,384)	-	-
Subscription of shares in a subsidiary by non-controlling interest		-	3	-	-
NET CASH FOR INVESTING ACTIVITIES		(10,178)	(19,513)	(1,725)	(5,415)
CASH FLOWS FOR FINANCING ACTIVITIES					
Advances from subsidiaries		-	-	-	150
Dividends paid	33	(10,625)	(8,318)	(10,625)	(8,318)
Drawdown of term loans		1,400	1,400	-	-
Drawdown of revolving credit		3,000	-	3,000	-
Purchase of treasury shares		(2,471)	(5,560)	(2,471)	(5,560)
Repayment of hire purchase and finance lease obligations		(3,369)	(2,401)	(25)	(373)
Repayment of term loans		(1,632)	(1,901)	(1,486)	(1,901)
NET CASH FOR FINANCING ACTIVITIES		(13,697)	(16,780)	(11,607)	(16,002)
NET INCREASE IN CASH AND CASH EQUIVALENTS					
		2,431	7,984	157	8,493
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		11,230	3,246	9,916	1,423
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	35	13,661	11,230	10,073	9,916

The annexed notes form an integral part of these financial statements.

# Notes to the Financial Statements

For the financial year ended 30 June 2014



## 1. GENERAL INFORMATION

The Company is a public company limited by shares under the Companies Act 1965 in Malaysia. The domicile of the Company is in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office : Lot 6.05, Level 6, KPMG Tower,  
No. 8, First Avenue,  
Bandar Utama,  
47800 Petaling Jaya, Selangor Darul Ehsan.

Principal place of business : Level 8, 1 First Avenue,  
Persiaran Bandar Utama, Bandar Utama,  
47800 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 October 2014.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of development and implementation of the Electronic Government Services project and the provision of other related services for the Electronic Government Services project, as well as investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Company has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

### **MFRSs and IC Interpretations (Including the Consequential Amendments)**

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 - 2011 Cycle

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 3. BASIS OF PREPARATION *Cont'd*

- 3.1 During the current financial year, the Company has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):- *Cont'd*

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements except as follows:-

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and requires extensive disclosures of which the additional disclosure is disclosed in Note 6 to the financial statements.

- 3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 (2009) Financial Instruments	)
MFRS 9 (2010) Financial Instruments	) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	) announced
	) by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	)
	)
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014



## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd


### 3. BASIS OF PREPARATION *Cont'd*

- 3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:- *Cont'd*

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (a) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no financial impact on the financial statements of the Group upon its initial application.
- (b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 until the Group performs a detailed review.
- (c) The amendments to MFRS 10, MFRS 12 and MFRS 127 (2011) require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon the initial application of these amendments and to fair value the investments in accordance with MFRS 139. There will be no financial impact on the financial statements of the Group upon its initial application.
- (d) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application.
- (e) The amendments to MFRS 136 remove the requirement to disclose the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. Therefore, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.





# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

#### (a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The details of revenue recognition policies are disclosed in Note 4.20 to the financial statements.

#### (b) Depreciation of Equipment

The estimates for the residual values, useful lives and related depreciation charges for the equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### (c) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

#### (d) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

#### (e) Amortisation of Development Costs

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.



## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *Cont'd*

##### (f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

##### (g) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

#### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.


Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

##### (a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.



# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

### 4.2 BASIS OF CONSOLIDATION *Cont'd*

#### (a) Business Combinations *Cont'd*

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

#### (b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

#### (c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the group.

#### (d) Loss of Control

Upon loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

#### 4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

#### 4.4 FUNCTIONAL AND PRESENTATION CURRENCY

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

#### 4.5 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.



# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

### 4.5 FINANCIAL INSTRUMENTS *Cont'd*

#### (a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

##### (i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

As at the end of the reporting period, there were no financial assets classified under this category.

##### (ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

As at the end of the reporting period, there were no financial assets classified under this category.

##### (iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

##### (iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.



## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

#### 4.5 FINANCIAL INSTRUMENTS *Cont'd*

##### (a) Financial Assets *Cont'd*

###### (iv) Available-for-sale Financial Assets *Cont'd*

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

##### (b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### (c) Equity Instruments


Instruments classified as equity are measured at cost and are not remeasured subsequently.

###### (i) Ordinary Shares

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.





# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

### 4.5 FINANCIAL INSTRUMENTS *Cont'd*

#### (c) Equity Instruments *Cont'd*

##### (ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

#### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

### 4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.



## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

#### 4.7 INVESTMENTS IN ASSOCIATES *Cont'd*

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method if the dilution does not result in a loss of significant influence or when an investment in a joint venture becomes an investment in an associate. Under such changes in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the associate will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in associates are recognised in profit or loss.

#### 4.8 EQUIPMENT

Equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Motor vehicles	16 - 20%
Office and communication equipment	10 - 12%
Office furniture and renovation	10%
Computers	20%
Software	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment.



# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

### 4.8 EQUIPMENT *Cont'd*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

### 4.9 DEVELOPMENT EXPENDITURE

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

- (a) its ability to measure reliably the expenditure attributable to the asset under development;
- (b) the product or process is technically and commercially feasible;
- (c) its future economic benefits are probable;
- (d) its intention to complete and the ability to use or sell the developed asset; and
- (e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over the period of their expected benefits but not exceeding 20 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.



## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

#### 4.10 IMPAIRMENT

##### (a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

##### (b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

### 4.11 EQUIPMENT UNDER HIRE PURCHASE AND FINANCE LEASE

Leases of equipment where substantially all the benefits and risks of ownership are transferred to the Company are classified as finance leases.

Equipment acquired under hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are recognised in profit or loss over the period of the respective lease and hire purchase agreements.

Equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

### 4.12 OPERATING LEASES

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments are made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on the straight-line basis over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

### 4.13 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.



## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

#### 4.13 INCOME TAXES *Cont'd*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

#### 4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

During the current financial year, the Group excluded deposits pledged to financial institutions from cash and cash equivalents for the purpose of the statements of cash flows. This change has been applied retrospectively with an adjustment made against the opening balance of the cash and cash equivalents as at 1 July 2013.

#### 4.15 EMPLOYEE BENEFITS


##### (a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

##### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.





# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

### 4.16 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:-
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
  - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 4.17 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

### 4.18 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.



## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

#### 4.19 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### 4.20 REVENUE AND OTHER INCOME

##### (a) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

##### (b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

##### (c) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

#### 4.21 DEFERRED REVENUE

The portion of the unrealised gain from the sale of enterprise solutions, which is deferred and disclosed as deferred revenue, is recognised on a straight-line basis over the period of their expected benefits.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

### 4.22 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

## 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014	2013
	RM'000	RM'000
Unquoted shares, at cost:-		
At 30 June	13,196	13,196

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014	2013	
Gale Vector Sdn. Bhd. ("GVSB")	Malaysia	100%	100%	Provision of software solutions and maintenance services.
My EG Sdn. Bhd. ("EGSB")	Malaysia	100%	100%	Development and implementation of the Electronic Government services project and provision of other related services for the Electronic Government services project.
My E.G. Commerce Sdn. Bhd. ("MECSB")	Malaysia	100%	100%	Provision of auto insurance intermediary services.
My E.G. Capital Sdn. Bhd. ("MYEGC")	Malaysia	100%	100%	Investment holding.
My EG Ad Networks Sdn. Bhd. (formerly known as Ipidato Sdn. Bhd.) ("MYEGAD") ^	Malaysia	100%	100%	Developing and organising online debate networks and related activities and the provision of online advertisement.
Ipidato Dot Com Sdn Bhd ("Ipidato DC") *	Malaysia	70%	70%	Administering and organising online debating championship and related services.

^ - held through MYEGC.

\* - held through MYEGAD.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 5. INVESTMENTS IN SUBSIDIARIES *Cont'd*

The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2014	2013	2014	2013
	%	%	RM'000	RM'000
Ipidato DC	30	30	2	3

## 6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	400	400	400	400
Share of post-acquisition losses	(400)	(400)	-	-
	-	-	400	400

The details of the associate are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014	2013	
MY E.G. Integrated Networks Sdn. Bhd. ("MINT") *	Malaysia	40%	40%	Provision of software and hardware solutions and related services.

\* - Not audited by Messrs. Crowe Horwath.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 6. INVESTMENT IN AN ASSOCIATE *Cont'd*

The summarised financial information of the associate is as follows:-

	MINT	
	2014	2013
	RM'000	RM'000
<u>At 30 June</u>		
Non-current assets	53,340	30,674
Current assets	172	76
Non-current liabilities	(3,741)	(5,598)
Current liabilities	(79,737)	(45,761)
Net liabilities	(29,966)	(20,609)
<u>Financial year ended 30 June</u>		
Revenue	-	-
Loss for the financial year	(9,356)	(8,340)
Group's share of losses for the financial year	(3,742)	(3,336)
<u>Reconciliation of net liabilities to carrying amount</u>		
Group's share of net liabilities *	(11,986)	(8,244)
Share of losses recognised	400	400
Share of losses in excess of the interest in the associate not recognised	(11,586)	(7,844)
Carrying amount of the Group's interest in this associate	-	-

\* - limited to cost of investment in the associate.

## 7. EQUIPMENT

	At 1.7.2013	Additions	Disposal	Written off	Depreciation Charge	At 30.6.2014
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Net Book Value</i>						
Motor vehicles	855	490	-	-	(464)	881
Office and communication equipment	67,199	7,118	-	(1)	(8,893)	65,423
Office furniture and renovation	4,710	379	-	(74)	(752)	4,263
Computers	4,292	2,523	(2)	(17)	(1,411)	5,385
Software	475	278	-	(1)	(160)	592
	77,531	10,788	(2)	(93)	(11,680)	76,544

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 7. EQUIPMENT *Cont'd*

The Group	At 1.7.2012 RM'000	Additions RM'000	Disposals RM'000	Depreciation Charge RM'000	At 30.6.2013 RM'000
<i>Net Book Value</i>					
Motor vehicles	1,313	-	-	(458)	855
Office and communication equipment	64,987	9,817	(62)	(7,543)	67,199
Office furniture and renovation	5,627	124	(297)	(744)	4,710
Computers	2,332	3,030	(111)	(959)	4,292
Software	378	205	-	(108)	475
	74,637	13,176	(470)	(9,812)	77,531

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
<b>At 30.6.2014</b>			
Motor vehicles	2,903	(2,022)	881
Office and communication equipment	87,944	(22,521)	65,423
Office furniture and renovation	8,209	(3,946)	4,263
Computers	13,967	(8,582)	5,385
Software	929	(337)	592
	113,952	(37,408)	76,544

### At 30.6.2013

Motor vehicles	2,413	(1,558)	855
Office and communication equipment	80,827	(13,628)	67,199
Office furniture and renovation	7,936	(3,226)	4,710
Computers	11,478	(7,186)	4,292
Software	652	(177)	475
	103,306	(25,775)	77,531



# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 7. EQUIPMENT *Cont'd*

<b>The Company</b>	<b>At 1.7.2013 RM'000</b>	<b>Additions RM'000</b>	<b>Disposal RM'000</b>	<b>Written off RM'000</b>	<b>Depreciation Charge RM'000</b>	<b>At 30.6.2014 RM'000</b>
<i>Net Book Value</i>						
Motor vehicles	86	-	-	-	(49)	37
Office and communication equipment	20,935	134	-	(1)	(1,610)	19,458
Office furniture and renovation	2,543	348	-	(74)	(449)	2,368
Computers	2,091	451	(2)	(17)	(713)	1,810
Software	74	50	-	(1)	(22)	101
	25,729	983	(2)	(93)	(2,843)	23,774

<b>The Company</b>	<b>At 1.7.2012 RM'000</b>	<b>Additions RM'000</b>	<b>Disposal RM'000</b>	<b>Transfer To A Subsidiary RM'000</b>	<b>Depreciation Charge RM'000</b>	<b>At 30.6.2013 RM'000</b>
<i>Net Book Value</i>						
Motor vehicles	169	-	-	-	(83)	86
Office and communication equipment	43,938	183	-	(19,994)	(3,192)	20,935
Office furniture and renovation	2,866	118	-	-	(441)	2,543
Computers	1,910	963	(43)	-	(739)	2,091
Software	43	45	-	-	(14)	74
	48,926	1,309	(43)	(19,994)	(4,469)	25,729

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 7. EQUIPMENT *Cont'd*

<b>The Company</b>	<b>At Cost RM'000</b>	<b>Accumulated Depreciation RM'000</b>	<b>Net Book Value RM'000</b>
<b>At 30.6.2014</b>			
Motor vehicles	540	(503)	37
Office and communication equipment	28,555	(9,097)	19,458
Office furniture and renovation	5,083	(2,715)	2,368
Computers	8,093	(6,283)	1,810
Software	189	(88)	101
	<b>42,460</b>	<b>(18,686)</b>	<b>23,774</b>

### At 30.6.2013

Motor vehicles	540	(454)	86
Office and communication equipment	28,422	(7,487)	20,935
Office furniture and renovation	4,841	(2,298)	2,543
Computers	7,677	(5,586)	2,091
Software	139	(65)	74
	<b>41,619</b>	<b>(15,890)</b>	<b>25,729</b>

At the end of the reporting period, the carrying amounts of the assets acquired under hire purchase and finance lease terms were as follows:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2014 RM'000</b>	<b>2013 RM'000</b>	<b>2014 RM'000</b>	<b>2013 RM'000</b>
Motor vehicles	724	734	-	#
Office and communication equipment	14,716	8,631	-	-
Renovation	670	766	-	-
	<b>16,110</b>	<b>10,131</b>	<b>-</b>	<b>#</b>

# - represents an amount less than RM1,000.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 8. OTHER INVESTMENTS

	The Group	
	2014	2013
	RM'000	RM'000
Unquoted shares in Malaysia, at cost:-		
At 1 July	1,734	350
Addition during the financial year	356	1,384
At 30 June	2,090	1,734

Investments in unquoted shares of the Group are designated as available-for-sale financial assets, but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

## 9. DEVELOPMENT COSTS

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At cost:-				
At 1 July	20,723	19,813	10,267	10,267
Addition during the financial year	774	910	-	-
At 30 June	21,497	20,723	10,267	10,267
Accumulated amortisation:-				
At 1 July	(10,049)	(8,659)	(3,110)	(2,364)
Amortisation during the financial year	(1,480)	(1,390)	(893)	(746)
At 30 June	(11,529)	(10,049)	(4,003)	(3,110)
	9,968	10,674	6,264	7,157

Development costs were incurred for the software development of the Electronic Government Services project and other related services.

Included in the development costs incurred during the financial year is the following item:-

	The Group	
	2014	2013
	RM'000	RM'000
Staff costs	317	521

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 10. GOODWILL ON CONSOLIDATION

Goodwill on consolidation is stated at cost and arose from the acquisition of the subsidiaries.

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2014 RM'000	2013 RM'000
Software solutions and other insurance-related services	2,594	2,594
E-business activities	9,422	9,422
	12,016	12,016

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2014	2013	2014	2013	2014	2013
Software solutions and other insurance-related services	65%	70%	3%	3%	7.1%	14.2%
E-business activities	90%	90%	5%	5%	22.2%	14.2%

- (a) Budgeted gross margin      The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements and cost saving measures.
- (b) Growth rate                      The growth rates used are based on the expected projection of the software solutions and other insurance-related services and e-business activities.
- (c) Discount rate                      The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The management believes that no reasonable change in the above key assumptions would cause the carrying amount of the goodwill to exceed its recoverable amounts.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 11. DEFERRED TAX ASSET

	The Group	
	2014 RM'000	2013 RM'000
At 1 July	710	-
Recognised in profit or loss (Note 31)	-	710
At 30 June	710	710

The deferred tax asset is in respect of the unrealised gains in connection with sales between the Group and an associate.

## 12. TRADE RECEIVABLES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	19,001	13,576	2,212	1,950
Allowance for impairment losses	(1)	(24)	-	-
	19,000	13,552	2,212	1,950
Allowance for impairment losses:-				
At 1 July	(24)	(#)	-	-
Addition during the financial year	(1)	(24)	-	-
Write-back during the financial year	1	-	-	-
Written off during the financial year	23	-	-	-
At 30 June	(1)	(24)	-	-

# - represents an amount less than RM1,000.

The Group's normal trade credit terms range from cash term to 180 days. Other credit terms are assessed and approved on a case-by-case basis.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other receivables	6,250	6,632	3,521	4,488
Deposits	1,832	974	1,130	789
Prepayments	21,222	5,240	20,129	2,901
	29,304	12,846	24,780	8,178

Included in other receivables, deposits and prepayments are the following items:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Advance payments for purchase of equipment	19,000	3,949	19,000	2,750
Performance bond placed with gateway provider	4,332	5,135	3,054	3,408

## 14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2014 RM'000	2013 RM'000
Amount owing by:		
- trade	960	960
- non-trade	7,050	11,508
	8,010	12,468
Amount owing to:		
- non-trade	-	(388)

The trade amount owing is subject to normal credit terms.

The non-trade amounts owing are unsecured, interest-free and receivable/(repayable) on demand.

The amounts owing are to be settled in cash.



# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 15. AMOUNT OWING BY AN ASSOCIATE

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Amount owing by:				
- trade	55,850	30,150	33,150	28,700
- non-trade	8,501	4,472	8,501	4,472
	64,351	34,622	41,651	33,172

The trade amount relates to the development work on the online service tax monitoring project completed in the financial year and is repayable after the project is commercialised. Based on the current development and other available information on the project, the directors are confident that the project will be implemented and commercialised in the near future and the amount owing by the associate will be recoverable in full.

The non-trade amount owing is unsecured, interest-free and receivable on demand.

The amount owing is to be settled in cash.

## 16. FIXED DEPOSITS WITH LICENSED BANKS

- The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bore a weighted average effective interest rate of 2.95% (2013 - 2.99%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2013 - 1 to 12) months.
- Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period were amounts of RM8,285,000 and RM6,724,000 (2013 - RM7,159,000 and RM5,566,000) respectively which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company.
- As at 30 June 2014, the fixed deposits of the Group and the Company amounting to RM66,000 and RM33,000 (2013 - RM466,000 and RM433,000) respectively were held in trust by a director, respectively.

## 17. CASH AND BANK BALANCES

Included in the cash and bank balances is the following:-

	The Group/ The Company	
	2014	2013
	RM'000	RM'000
Short-term cash investments	7,268	6,678

The short-term cash investments at the end of the reporting period bore effective interest rates ranging from 2.89% to 3.50% (2013 - 1.99% to 2.82%) per annum. The short-term cash investments have a maturity period of 30 days (2013 - 30 days).

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 18. SHARE CAPITAL

	The Company			
	2014		2013	
	Number Of Shares '000	Share Capital RM'000	Number Of Shares '000	Share Capital RM'000
Ordinary Shares Of RM0.10 Each:-				
Authorised	1,000,000	100,000	1,000,000	100,000
Issued And Fully Paid-Up	601,051	60,105	601,051	60,105

## 19. TREASURY SHARES

	The Group/The Company			
	2014		2013	
	Number Of Shares '000	Treasury Share RM'000	Number Of Shares '000	Treasury Shares RM'000
At 1 July	10,099	7,766	3,609	2,206
Buy back	1,138	2,471	6,490	5,560
At 30 June	11,237	10,237	10,099	7,766

During the financial year, the Company purchased 1,138,200 of its issued ordinary shares from the open market at an average price of RM2.17 per share. The total consideration paid for the purchase was RM2,471,000 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Of the total 601,051,000 issued and fully paid-up ordinary shares at the end of the reporting period amounted to 11,236,800 (2013 - 10,098,600) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

## 20. RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 21. LONG-TERM BORROWINGS

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Hire purchase and finance lease payables (Note 22)	6,127	4,616	-	-
Term loans (Note 23)	1,966	3,539	1,062	2,139
	8,093	8,155	1,062	2,139

## 22. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Minimum hire purchase and finance lease payments:				
- not later than one year	4,632	2,857	-	25
- later than one year and not later than five years	6,500	4,902	-	-
- more than five years	31	-	-	-
	11,163	7,759	-	25
Less: Future finance charges	(920)	(667)	-	#
Present value of hire purchase and finance lease payables	10,243	7,092	-	25
Non-current portion (Note 21):				
- later than one year and not later than five years	6,096	4,616	-	-
- more than five years	31	-	-	-
	6,127	4,616	-	-
Current portion (Note 27):				
- not later than one year	4,116	2,476	-	25
	10,243	7,092	-	25

# - represents an amount less than RM1,000.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 22. HIRE PURCHASE AND FINANCE LEASE PAYABLES *Cont'd*

The weighted average effective interest rate per annum as at the end of the reporting period of the hire purchase and lease payables of the Group and of the Company was as follows:-

	The Group		The Company	
	2014	2013	2014	2013
Interest rate	6.24%	6.47%	-	4.58%

## 23. TERM LOANS

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Non-current portion (Note 21):				
- later than one year and not later than two years	1,966	2,472	1,062	1,072
- later than two years and not later than five years	-	1,067	-	1,067
	1,966	3,539	1,062	2,139
Current portion (Note 27):				
- not later than one year	2,822	1,481	1,072	1,481
	4,788	5,020	2,134	3,620

Details of the term loans are as follows:-

	Number of Monthly Instalments	Monthly Instalment RM'000	Date of Commencement of Repayment
Term loan 1	60	98	May 2011
Term loan 2	48	146	July 2014

The term loans bore a weighted average effective interest rate of 7.25% (2013 - 7.18%) per annum at the end of the reporting and are secured by:-

- (i) a pledge of certain fixed deposits of the Company; and
- (ii) a corporate guarantee of the Company.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 24. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 July	678	699	678	678
Recognised in profit or loss (Note 31)	200	(21)	200	-
At 30 June	878	678	878	678

The deferred tax liabilities are attributable to the following:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Accelerated capital allowances over depreciation	319	678	319	678
Development costs	559	-	559	-
	878	678	878	678

The Group has not recognised the deferred tax liabilities for the following items:-

	The Group	
	2014 RM'000	2013 RM'000
Accelerated capital allowances	20,065	21,108
Development costs	2,371	2,401
	22,436	23,509

The directors are of the opinion that the deferred tax liabilities will not crystallise in the foreseeable future as the business operations of which the deferred tax liabilities arose are operated by a subsidiary of which MSC status has been granted.

## 25. TRADE PAYABLES

The normal trade credit terms granted to the Group and the Company range from cash term to 90 days.

## 26. DEFERRED REVENUE

Deferred revenue relates to the unrealised gains in connection with sales between the Group and an associate.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 27. SHORT-TERM BORROWINGS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Hire purchase and finance lease payables (Note 22)	4,116	2,476	-	25
Term loans (Note 23)	2,822	1,481	1,072	1,481
Revolving credit (unsecured)	3,000	-	3,000	-
	9,938	3,957	4,072	1,506

## 28. NET ASSETS PER SHARE

The net assets per share of the Group is calculated based on the net assets value at the end of the reporting period of RM176,657,000 (2013 - RM139,639,000) divided by the number of ordinary shares in issue of 589,814,000 (2013 - 590,952,000) excluding treasury shares held by the Company.

## 29. REVENUE AND COST OF SALES

Revenue of the Group and of the Company represents the invoiced value of services rendered less trade discounts.

The Group	Revenue RM'000 (Note 38)	Cost Of Sales		Gross Profit RM'000
		Direct RM'000	Indirect RM'000	
2014				
Electronic Government Services and related services	86,723	(11,069)	#	*
Enterprise solutions	23,149	-	#	*
	109,872	(11,069)	(10,747)	88,056
2013				
Electronic Government services and related services	65,994	(5,689)	#	*
Enterprise solutions	10,490	-	#	*
	76,484	(5,689)	(4,784)	66,011

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 29. REVENUE AND COST OF SALES *Cont'd*

The Company	Revenue RM'000 (Note 38)	Cost Of Sales		Gross Profit RM'000
		Direct RM'000	Indirect RM'000	
<b>2014</b>				
Electronic Government services and related services	15,539	(536)	#	*
Enterprise solutions	5,779	-	#	*
Dividend income	41,000	-	-	41,000
	62,318	(536)	(6,886)	54,896
<b>2013</b>				
Electronic Government services and related services	10,319	(532)	#	*
Enterprise solutions	10,970	-	#	*
Dividend income	27,750	-	-	27,750
	49,039	(532)	(2,583)	45,924

# - There is no reasonable basis for allocation of indirect cost of sales to the respective revenue.

\* - Gross profit of each segment is not shown due to the unallocated indirect cost of sales.

## 30. PROFIT BEFORE TAXATION

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for impairment losses on trade receivables	1	24	-	-
Amortisation of development costs	1,480	1,390	893	746
Audit fee:				
- for the current financial year	99	107	43	43
- overprovision in the previous financial year	(16)	(4)	(4)	(25)
Directors' fee	692	586	692	586
Depreciation of equipment	11,680	9,812	2,843	4,469
Equipment written off	93	-	93	-



# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 30. PROFIT BEFORE TAXATION *Cont'd*

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest expense:				
- hire purchase and finance lease	616	479	#	14
- term loans	315	318	188	318
- revolving credit	32	-	32	-
Preliminary expenses	-	1	-	-
Rental expense:				
- equipment	29	21	-	-
- parking	58	43	52	38
- premises	2,622	2,096	1,083	1,127
Staff costs:				
- defined contribution plan	1,668	1,359	680	629
- salaries and other benefits	15,110	11,758	6,495	5,800
Gain on disposal of equipment	-	(4)	-	-
Dividend income from subsidiaries	-	-	(41,000)	(27,750)
Interest income	(373)	(53)	(373)	(53)

# - represents an amount less than RM1,000

## 31. INCOME TAX EXPENSE

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the current financial year	384	293	66	184
- under/(over)provision in the previous financial year	13	(20)	13	(26)
	397	273	79	158
Deferred tax asset (Note 11):				
- for the current financial year	-	(710)	-	-
Deferred tax liabilities (Note 24):				
- for the current financial year	200	(9)	200	-
- overprovision in the previous financial year	-	(12)	-	-
	200	(21)	200	-
	597	(458)	279	158

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 31. INCOME TAX EXPENSE *Cont'd*

On 25 February 2012, a subsidiary with MSC Malaysia status, was granted the Pioneer Status incentive under the Promotion of Investments Act, 1986. The subsidiary will enjoy full exemption from income tax on its statutory income from pioneer activities for five (5) years, from 27 April 2011 to 26 April 2016.

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	50,710	34,391	37,636	28,014
Tax at the applicable statutory tax rate of 25%	12,677	8,598	9,409	7,003
Tax effects of:-				
Non-taxable income	-	-	(10,250)	(6,938)
Tax exempted income	(14,135)	(9,489)	(27)	(8)
Non-deductible expenses	1,778	847	1,134	127
Deferred tax liabilities not recognised due to pioneer status	-	(468)	-	-
Deferred tax assets not recognised for the financial year	-	86	-	-
Reversal of deferred tax liabilities not recognised in the previous financial year due to pioneer status	268	-	-	-
Utilisation of deferred tax assets previously not recognised	(4)	-	-	-
(Over)/Underprovision in the previous financial year:				
- current taxation	13	(20)	13	(26)
- deferred taxation	-	(12)	-	-
	597	(458)	279	158

# - represents an amount less than RM1,000.

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 32. EARNINGS PER SHARE

Basic earnings per share is arrived at by dividing the Group's profit attributable to owners of the Company of RM50,114,000 (2013 – RM34,849,000) by the following weighted average number of ordinary shares in issue during the financial year excluding treasury shares held by the Company.

	<b>The Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of shares at 31 July 2013/2012:		
- issued ordinary shares	601,051	601,051
- treasury shares held	(10,099)	(3,609)
	590,952	597,442
Effect of share buy-back	(597)	(2,789)
Weighted average number of shares at 30 June	590,355	594,653
Basic earnings per share (sen)	8.5	5.9

The diluted earnings per share is not presented as there are no dilutive effect at the end of the reporting period.

### 33. DIVIDENDS

	<b>The Group/ The Company</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
In respect of the financial year ended 30 June 2012:		
- a final tax-exempt dividend of 0.90 sen per ordinary share	-	5,355
In respect of the financial year ended 30 June 2013:		
- a first interim tax-exempt dividend of 0.50 sen per ordinary share	-	2,963
- a final tax-exempt dividend of 1.30 sen per ordinary share	7,673	-
In respect of the financial year ended 30 June 2014:		
- a first interim tax-exempt dividend of 0.50 sen per ordinary share	2,952	-
	10,625	8,318

The directors propose the payment of a final tax-exempt dividend of 2.00 sen per ordinary share in respect of the current financial year. The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting and has not been included as a liability in the financial statements.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 34. PURCHASE OF EQUIPMENT

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cost of equipment purchased	10,788	13,176	983	1,309
Amount financed through hire purchase and finance lease	(6,520)	(3,376)	-	-
Cash disbursed for purchase of equipment	4,268	9,800	983	1,309

## 35. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks (Note 16)	8,378	7,619	6,785	6,026
Cash and bank balances (Note 17)	13,568	10,770	10,012	9,456
	21,946	18,389	16,797	15,482
Less: Deposits pledged to licensed banks	(8,285)	(7,159)	(6,724)	(5,566)
	13,661	11,230	10,073	9,916

## 36. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
- fees	488	442	488	442
Non-executive directors:				
- fees	204	144	204	144
	692	586	692	586

## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 36. DIRECTORS' REMUNERATION *Cont'd*

Details of directors' emoluments of the Group and the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	The Group/ The Company	
	2014	2013
Executive directors:-		
RM100,001 – RM150,000	1	2
RM150,001 – RM200,000	2	1
Non-Executive directors:-		
RM50,001 – RM100,000	2	2
Below RM50,000	1	-
	<hr/>	<hr/>
	6	5

### 37. RELATED PARTY DISCLOSURES

#### (a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 37. RELATED PARTY DISCLOSURES *Cont'd*

- (b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<b>Sales to:</b>				
<i>A subsidiary</i>				
MECSB	-	-	960	960
<i>An associate</i>				
MINT	16,380	7,530	4,450	9,500
<b>Dividend income from a subsidiary</b>				
EGSB	-	-	40,000	27,750
GVSb	-	-	1,000	-
<b>Equipment transfer to a subsidiary</b>				
EGSB	-	-	-	19,994
<b>Professional fees charged by a related party:</b>				
Embunaz Ventures Sdn. Bhd. *	288	192	288	192
<b>Key management personnel compensation:</b>				
Short-term employee benefits	997	889	997	889

\* a company in which Dato' Dr Norraesah Binti Haji Mohamad has a substantial financial interest.

## 38. OPERATING SEGMENTS

Operating segmental information is not provided as the Group is principally engaged in the development and implementation of the Electronic Government Services project and the provision of other related services for the Electronic Government Services project, which are substantially within a single business segment.

### Products and services information

	The Group	
	2014	2013
	RM'000	RM'000
Electronic Government services and related services (Note 29)	86,723	65,994
Enterprise solutions (Note 29)	23,149	10,490
Total revenue	109,872	76,484

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 38. OPERATING SEGMENTS *Cont'd*

### Geographical information

The Group operates in Malaysia only.

### Major customer

Revenue from one major customer, with revenue equal to or more than 10% of Group revenue, amount to RM16,380,000 (2012 – RM7,530,000) arising from sales by the enterprise solution segment.

## 39. COMMITMENTS

### (a) Capital commitments

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Purchase of equipment:				
- approved and contracted for	-	402	-	-
- approved but not contracted for	1,000	10,750	1,000	2,750

### (b) Operating lease commitments


The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Not later than one year	4,213	1,321	3,554	955
Later than one year but not later than five years	4,855	591	4,149	524
	9,068	1,912	7,703	1,479

## 40. CONTINGENT LIABILITIES

	The Company	
	2014	2013
	RM'000	RM'000
Corporate guarantees given to licensed banks for credit facilities granted to:		
- a subsidiary	2,475	2,475
- an associate	4,000	4,000
	6,475	6,475





# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 41. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 41.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

#### (a) Market Risk

##### (i) Foreign Currency Risk

The Group does not have material transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 41.1(c) to the financial statements.

#### *Interest rate risk sensitivity analysis*

The analysis is not presented as the sensitivity impact is immaterial.

##### (iii) Equity Price Risk

The Group does not have any quoted investment and hence is not exposed to any equity price risk.

#### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and short-term cash investments), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 41. FINANCIAL INSTRUMENTS *Cont'd*

### 41.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

#### (b) Credit Risk *Cont'd*

##### (i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by an associate which constituted approximately 72% of its receivables at the end of the reporting period.

##### (ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

As the Group operates in Malaysia only, hence there is no exposure of credit risk for trade receivables by geographical region.

##### (iii) Ageing analysis

The ageing analysis of the Group's trade receivables (including amount owing by an associate) at the end of the reporting period is as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
<b>The Group</b>			
<b>2014</b>			
Not past due	64,840	-	64,840
Past due:			
- less than 3 months	3,037	-	3,037
- 3 to 6 months	616	-	616
- over 6 months	6,358	(1)	6,357
	<u>74,851</u>	<u>(1)</u>	<u>74,850</u>
<b>2013</b>			
Not past due	43,131	-	43,131
Past due:			
- less than 3 months	335	-	335
- 3 to 6 months	236	-	236
- over 6 months	24	(24)	-
	<u>43,726</u>	<u>(24)</u>	<u>43,702</u>

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 41. FINANCIAL INSTRUMENTS *Cont'd*

### 41.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

#### (b) Credit Risk *Cont'd*

##### (iii) Ageing analysis *Cont'd*

##### *Trade receivables that are past due but not impaired*

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

##### *Trade receivables that are neither past due nor impaired*

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

#### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>2014</b>						
Hire purchase and finance lease payables	6.24	10,243	11,163	4,632	6,500	31
Term loans	7.25	4,788	5,109	3,084	2,025	-
Revolving credit	4.88	3,000	3,000	3,000	-	-
Trade payables	-	16,381	16,381	16,381	-	-
Other payables and accruals	-	3,910	3,910	3,910	-	-
		38,322	39,563	31,007	8,525	31

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 41. FINANCIAL INSTRUMENTS *Cont'd*

### 41.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

#### (c) Liquidity Risk *Cont'd*

The Group	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>2013</b>						
Hire purchase and finance lease payables	6.47	7,092	7,759	2,857	4,902	-
Term loans	7.18	5,020	5,510	1,674	3,836	-
Trade payables	-	15,795	15,795	15,795	-	-
Other payables and accruals	-	3,211	3,211	3,211	-	-
		31,118	32,275	23,537	8,738	-
<b>The Company</b>						
<b>2014</b>						
Term loans	6.85	2,134	2,288	1,188	1,100	-
Revolving credit	4.88	3,000	3,000	3,000	-	-
Trade payables	-	605	605	605	-	-
Other payables and accruals	-	2,832	2,832	2,832	-	-
		8,571	8,725	7,625	1,100	-
<b>2013</b>						
Hire purchase and finance lease payables	4.58	25	25	25	-	-
Term loans	7.02	3,620	3,962	1,674	2,288	-
Trade payables	-	6,761	6,761	6,761	-	-
Other payables and accruals	-	2,752	2,752	2,752	-	-
Amount owing to subsidiaries	-	388	388	388	-	-
		13,546	13,888	11,600	2,288	-

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 41. FINANCIAL INSTRUMENTS *Cont'd*

### 41.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less fixed deposit with licensed banks and cash and bank balances.

There was no change in the Group's approach to capital management during the financial year.

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2014 RM'000	2013 RM'000
Hire purchase and finance lease payables	10,243	7,092
Term loans	4,788	5,020
Revolving credit	3,000	-
Trade payables	16,381	15,795
Other payables and accruals	3,910	3,211
	38,322	31,118
Less: Fixed deposits with licensed banks	(8,378)	(7,619)
Less: Cash and bank balances	(13,568)	(10,770)
Net debt	16,376	12,729
Total equity	176,659	139,642
Debt-to-equity ratio	0.09	0.09

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 41. FINANCIAL INSTRUMENTS *Cont'd*

### 41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets</b>				
<u>Available-for-sale financial Assets</u>				
Other investment	2,090	1,734	-	-
<u>Loans and receivables financial assets</u>				
Trade receivables	19,000	13,552	2,212	1,950
Other receivables and deposits	8,082	7,606	4,651	5,277
Amount owing by subsidiaries	-	-	8,010	12,468
Amount owing by an associate	64,351	34,622	41,651	33,172
Fixed deposits with licensed banks	8,378	7,619	6,785	6,026
Cash and bank balances	13,568	10,770	10,012	9,456
	113,379	74,169	73,321	68,349
<b>Financial liability</b>				
<u>Other financial liabilities</u>				
Hire purchase and finance lease payables	10,243	7,092	-	25
Term loans	4,788	5,020	2,134	3,620
Revolving credit	3,000	-	3,000	-
Trade payables	16,381	15,795	605	6,761
Other payables and accruals	3,910	3,211	2,832	2,752
Amount owing to subsidiaries	-	-	-	388
	38,322	31,118	8,571	13,546

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 41. FINANCIAL INSTRUMENTS *Cont'd*

### 41.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		

#### 2014

##### Financial Asset

Other investments:

- unquoted shares	-	-	-	-	-	-	#	2,090
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##### Financial Liabilities

Hire purchase and finance lease payables

	-	-	-	-	10,218	-	10,218	10,243
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Term loans	-	-	-	-	4,788	-	4,788	4,788
------------	---	---	---	---	-------	---	-------	-------

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value	Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level *		
	RM'000	RM'000	RM'000	RM'000		

#### 2013

##### Financial Asset

Other investments:

- unquoted shares	-	-	-	-	-	#	1,734
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##### Financial Liabilities

Hire purchase and finance lease payables

	-	-	-	7,092	7,092	7,092
--	---	---	---	-------	-------	-------

Term loans	-	-	-	5,020	5,020	5,020
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# The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted shares.

\* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.



# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 41. FINANCIAL INSTRUMENTS *Cont'd*

### 41.4 FAIR VALUE INFORMATION *Cont'd*

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

#### 2014

##### Financial Liability

Term loans	-	-	-	-	2,134	-	2,134	2,134
------------	---	---	---	---	-------	---	-------	-------

Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value	Total Fair Value	Carrying Amount
Level 1	Level 2	Level 3	Level *		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

#### 2013

##### Financial Liabilities

Hire purchase and finance lease payable	-	-	-	25		25	25
Term loans	-	-	-	3,620		3,620	3,620


\* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

(a) The fair values above are for disclosure purposes and have been determined using the following basis:-

(i) The fair values of hire purchase and finance lease payables are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The effective interest rates used to discount the estimated cash flows are as follows:-

	The Group		The Company	
	2014	2013	2014	2013
	%	%	%	%
Hire purchase and finance lease payables	6.24	6.47	-	4.58

(b) In regards to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.



## Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

### 42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 2 September 2013, the Company entered into a Memorandum of Understanding ("MOU") with Celcom 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 ("Project").

The MOU is valid for a period of one (1) year from the date of signing and may be further extended subject to mutual agreement between Celcom and the Company unless there is early termination or upon execution of the definitive agreement(s).

The MOU is not subject to approval of the shareholders of the Company and any relevant government authorities.

- (b) 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 with the Company and another four (4) third parties ("Defendants") affecting the importance of the economics of the Plaintiffs. The Plaintiffs seek 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 directors of the Company are of the view that the claim by the Plaintiffs is without merit and will vigorously defend the claim.

The Company has sought its solicitors' advice on the necessary course of action to be taken in relation to the aforesaid Writ of Summons.

- (c) On 23 October 2013, the Company entered into a 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.

- (d) On 13 February 2014, the Company has accepted a Letter of Award by the Royal Malaysian Customs Department to undertake the Customs Online Tax reporting (Electronic Monitoring System - EMS) ("Project"). The value of this Project is estimated to be RM180 million. The tenure of the project is 6 years and will commence from 1 April 2014.

- (e) On 12 June 2014, the Company was served with a Writ of Summons together with the Statement of Claim by the solicitors of three (3) third parties ("Plaintiffs").

The claim is in relation to the declaration of the plaintiffs who are the official designers for the Point-of-sale-GST Automatic Tax Reporting ("ARTS") and there is a violation from the method of Automated Reporting of Point-of-sale Tax Collection under a Secured Environment ("MARTC") to Point-Of-Sale - ARTS. The Plaintiffs seeks for an injunction from Court to stop the Company from the patent-application and using MARTC and any device which is similar to the ARTS.

On 30 September 2014, the Plaintiffs have withdrew the claim and the Court therefore struck off the claim with cost of RM7,000 awarded to the Company.

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 43. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 1 July 2014, a wholly-owned subsidiary, MYEGC subscribed for 650,000 ordinary shares of RM1 each representing 50.66% of the issued and paid-up capital of MY EG Marketing Sdn. Bhd. (formerly known as Henrywill Marketing Sdn. Bhd.) for a total cash consideration of RM650,000.
- (b) On 23 July 2014, the Company obtained the extension of the E-Services Concession Agreement for a further period of 5 years commencing from 23 May 2015 and expiring on 22 May 2020 vide an extension letter from Malaysia Administrative Modernisation and Management Planning Unit (also known as Unit Pemodenan Tadbiran Dan Perancangan Pengurusan Malaysia ("MAMPU")).
- (c) On 2 September 2014, the Company has mutually agreed with Celcom to extend the Memorandum of Understanding for a further period of one (1) year. Both parties are currently in the exploratory stage on areas of collaboration.

## 44. ACQUISITION OF SUBSIDIARY

On 1 July 2014, MYEGC, the wholly-owned subsidiary of the Company subscribed for 650,000 ordinary shares of RM1.00 each in the issued and paid up share capital of My EG Marketing Sdn. Bhd. (formerly known as Henrywill Marketing Sdn. Bhd.) ("MYEG Marketing"), representing a 50.66% equity interest in MYEG Marketing. Following the shares subscription, MYEG Marketing became a 50.66% owned subsidiary of the Group. MYEG Marketing was incorporated as a private limited company in Malaysia pursuant to the Companies Act 1965 on 6 September 2012. MYEG Marketing is principally involved in marketing all kinds of credit cards, consultancy services, commission agents, event organiser and other related activities.

The unaudited fair values of the identifiable assets and liabilities of MYEG Marketing as at the date of acquisition were:-

	Pre-acquisition carrying amounts RM'000	Fair value adjustments RM'000	Recognised values on acquisition RM'000
Equipment	232	-	232
Trade receivables	6	-	6
Other receivables, deposits and prepayments	37	-	37
Amount owing by a related party	7	-	7
Cash and bank balances	5	-	5
Other payables and accruals	(92)	-	(92)
Hire purchase and finance lease payables	(168)	-	(168)
Net identifiable assets and liabilities	27	-	27
Less: Non-controlling interest's proportionate share of the acquiree's net identifiable assets			(13)
Group's interest in fair value of net identifiable assets			14
Goodwill on acquisition			636
Fair value of consideration			650

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 44. ACQUISITION OF SUBSIDIARY *Cont'd*

MYEGC paid a total cash consideration of RM650,000 to subscribe for 50.66% equity interest in MYEG Marketing.

The effect of the investment on cash flows is as follows:-

	RM'000
Purchase consideration settled in cash and cash equivalents	650
Less: Cash and cash equivalents of subsidiary acquired	(5)
Net cash inflow on acquisition	<u>645</u>

The goodwill is attributable to the subscription of shares in MYEG Marketing which is part of a strategic move by the Group to leverage on MYEG Marketing's expertise in marketing to the masses as the Group intends to launch more commercial products and services with its recently launched co-branded credit card with RHB Bank Berhad.

## 45. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

### CONSOLIDATED STATEMENT OF CASH FLOWS (EXTRACT)

	The Group As Restated RM'000	As Previously Reported RM'000
CASH FLOWS FOR INVESTING ACTIVITIES		
Placement of deposit with licensed banks	(583)	-
NET CASH FOR INVESTING ACTIVITIES	(19,513)	(18,930)
NET CHANGES IN CASH AND CASH EQUIVALENTS	7,984	8,567
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	3,246	9,822
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>11,230</u>	<u>18,389</u>
	The Company As Restated RM'000	As Previously Reported RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividend income	-	(27,750)
NET CASH FROM OPERATING ACTIVITIES	29,910	2,160
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Net repayment from subsidiaries	3,177	30,927
Placement of deposit with licensed banks	(13)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(5,415)	22,348
NET CHANGES IN CASH AND CASH EQUIVALENTS	8,493	8,506
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,423	6,976
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>9,916</u>	<u>15,482</u>

# Notes to the Financial Statements

For the financial year ended 30 June 2014

cont'd

## 46. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and the Company at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total retained profits:				
- realised	138,165	89,868	78,739	51,807
- unrealised	(168)	32	(878)	(678)
	137,997	89,900	77,861	51,129
Total share of accumulated losses of associate:				
- realised	(400)	(400)	-	-
- unrealised	-	-	-	-
	137,597	89,500	77,861	51,129
Less: Consolidation adjustments	(10,808)	(2,200)	-	-
At 30 June	126,789	87,300	77,861	51,129



# List of Properties

As at 30 June 2014

The Company does not own any properties as at 30 June 2014.

# Analysis of Shareholdings

As at 31 October 2014

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-Up Capital	:	RM58,981,320 (excluding 11,237,800 treasury shares of RM0.10 each)
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Right	:	Every member of the Company, present in person or by proxy, shall have on a show of hands, one (1) vote or on a poll, one (1) vote for each share he holds
Number of Shareholders	:	3,633

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% <sup>1</sup>	No. of Shares	% <sup>1</sup>
Less than 100	52	1.43	1,488	0.00
100 to 1,000	1,157	31.85	622,414	0.11
1,001 to 10,000	1,658	45.64	7,806,320	1.32
10,001 to 100,000	516	14.20	16,293,713	2.76
100,001 – less than 5% of issued shares	246	6.77	412,293,365	69.90
5% and above issued shares	4	0.11	152,795,900	25.91
Total	3,633	100.00	589,813,200	100.00

## SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Names of Substantial Shareholders	Direct Interest	No. of Shares Held		
		% <sup>1</sup>	Indirect Interest	% <sup>1</sup>
Wong Thean Soon	43,726,006	7.41	197,157,998 <sup>(2)</sup>	33.43
Dato' Raja Haji Munir Shah Bin Raja Mustapha	409,900	0.07	187,157,998 <sup>(3)</sup>	31.73
Asia Internet Holdings Sdn Bhd	185,765,999	31.50	-	-
Utilico Emerging Markets Limited	41,112,900 <sup>(4)</sup>	6.97	-	-

### Notes:

- (1) Excluding a total of 11,237,800 ordinary shares of RM0.10 each bought-back by the Company and retained as treasury shares
- (2) Deemed interested by virtue of his substantial shareholdings in Asia Internet Holdings Sdn Bhd, Asia Internet E-Services Holdings Sdn Bhd and Radio Port Limited pursuant to Section 6A of the Act
- (3) Deemed interested by virtue of his substantial shareholdings in Asia Internet Holdings Sdn Bhd and Asia Internet E-Services Holdings Sdn Bhd pursuant to Section 6A of the Act
- (4) Shares held through the HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (Bermuda)



# Analysis of Shareholdings

As at 31 October 2014

cont'd

## DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest	No. of Shares Held		
		% <sup>1</sup>	Indirect Interest	% <sup>1</sup>
Dato' Dr Norraesah Binti Haji Mohamad	4,060,000	0.69	-	-
Wong Thean Soon	43,726,006	7.41	197,157,998 <sup>(2)</sup>	33.43
Dato' Raja Haji Munir Shah Bin Raja Mustapha	409,900	0.07	187,157,998 <sup>(3)</sup>	31.73
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	2,003,000	0.34	1,700,000 <sup>(4)</sup>	0.29
Datuk Mohd Jimmy Wong Bin Abdullah	552,000	0.09	-	-
Ng Fook Ai, Victor	-	-	-	-
Dato' Shamsul Anuar Bin Haji Nasarah	-	-	-	-

### Notes:-

- (1) Excluding a total of 11,237,800 ordinary shares of RM0.10 each bought-back by the Company and retained as treasury shares
- (2) Deemed interested by virtue of his substantial shareholdings in Asia Internet Holdings Sdn Bhd, Asia Internet E-Services Holdings Sdn Bhd and Radio Port Limited pursuant to Section 6A of the Act
- (3) Deemed interested by virtue of his substantial shareholdings in Asia Internet Holdings Sdn Bhd and Asia Internet E-Services Holdings Sdn Bhd pursuant to Section 6A of the Act
- (4) Deemed interested by virtue of his wife's and son's shareholding pursuant to Section 134 (12)(c) of the Companies Act, 1965.

## TOP THIRTY (30) SHAREHOLDERS

No.	Names	No. of Shares	%
1.	Asia Internet Holdings Sdn Bhd	47,683,000	8.084
2.	HSBC Nominees (Asing) Sdn Bhd <i>Exempt an for JPMorgan Chase Bank, National Association (Bermuda)</i>	41,112,900	6.970
3.	HSBC Nominees (Tempatan) Sdn Bhd <i>Exempt an for Credit Suisse (SG BR-TST-TEMP)</i>	34,000,000	5.764
4.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Asia Internet Holdings Sdn Bhd (512754515120)</i>	30,000,000	5.086
5.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Asia Internet Holdings Sdn Bhd</i>	27,900,000	4.730
6.	Edisi Firma Sdn. Bhd	25,125,140	4.259
7.	Asia Internet Holdings Sdn Bhd	24,137,999	4.092
8.	AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Thean Soon (8080812)</i>	17,000,000	2.882
9.	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt an for RBC Investor Services Trust (Clients Account)</i>	13,266,500	2.249
10.	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Wong Thean Soon</i>	13,048,000	2.212

# Analysis of Shareholdings

As at 31 October 2014

cont'd

## TOP THIRTY (30) SHAREHOLDERS Cont'd

No.	Names	No. of Shares	%
11.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Asia Internet Holdings Sdn Bhd (001-Account 2)</i>	12,200,000	2.068
12.	HSBC Nominees (Asing) Sdn Bhd <i>Exempt an for Credit Suisse (SG BR-TST-ASING)</i>	10,000,000	1.695
13.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Asia Internet Holdings Sdn Bhd (MY0409)</i>	9,845,000	1.669
14.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Wong Thean Soon (MY0691)</i>	9,000,000	1.525
15.	Cartaban Nominees (Asing) Sdn Bhd <i>BBH (LUX) SCA for Fidelity Funds Pacific</i>	8,966,100	1.520
16.	AmanahRaya Trustees Berhad <i>Public Islamic Opportunities Fund</i>	8,190,600	1.388
17.	Jason Chan Ling Khee	7,729,299	1.310
18.	AmanahRaya Trustees Berhad <i>Public Islamic Select Treasures Fund</i>	7,086,200	1.201
19.	HSBC Nominees (Asing) Sdn Bhd <i>TNTC for Baring Pacific Fund</i>	6,991,300	1.185
20.	Cartaban Nominees (Asing) Sdn Bhd <i>Wellington Trust Company, National Association Multiple Common Trust Funds Trust Emerging Markets Local Equity Portfolio</i>	6,960,500	1.180
21.	CIMB Group Nominees (Tempatan) Sdn Bhd <i>CIMB Bank Berhad (EDP 2)</i>	6,800,000	1.152
22.	HSBC Nominees (Asing) Sdn Bhd <i>Fullerton Lux Funds</i>	6,045,300	1.024
23.	HSBC Nominees (Asing) Sdn Bhd <i>BBH and Co Boston for Grandeur Peak International Opportunities Fund</i>	5,517,300	0.935
24.	Lim Hooi Teik	4,991,300	0.846
25.	Cartaban Nominees (Asing) Sdn Bhd <i>BBH (LUX) SCA for Fidelity Funds Asean</i>	4,660,400	0.790
26.	Citigroup Nominees (Tempatan) Sdn Bhd <i>UBS AG Singapore for Wong Thean Soon</i>	4,500,000	0.762
27.	Maybank Investment Bank Berhad IVT (9)	4,438,700	0.752
28.	HSBC Nominees (Asing) Sdn Bhd <i>HSBC-FS for Legg Mason Western Asset Southeast Asia Special Situations Trust (201061)</i>	4,340,100	0.735
29.	Cartaban Nominees (Asing) Sdn Bhd <i>RBC Investor Services Bank for Emerging Markets (Candriam EQL)</i>	4,200,000	0.712
30.	HSBC Nominees (Asing) Sdn Bhd <i>BBH and Co Boston for Grandeur Peak Global Opportunities Fund</i>	4,178,500	0.708



# Notice of the Fourteenth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of MY E.G. SERVICES BERHAD will be held at Hibiscus Auditorium Room, LG2, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 18 December 2014 at 10.00 a.m. for the following purposes:

## AGENDA

### AS ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the financial year ended 30 June 2014 together with the Reports of the Directors and Auditors thereon. *Please refer to Note A*
2. To approve a final tax-exempt dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 June 2014. *Ordinary Resolution 1*
3. To re-elect the following Directors retiring pursuant to Article 69 of the Articles of Association of the Company:
  - 3.1 Dato' Dr Norraesah Binti Haji Mohamad *Ordinary Resolution 2*
  - 3.2 Wong Thean Soon *Ordinary Resolution 3*
4. To approve the payment of Directors' fees for the financial year ended 30 June 2014. *Ordinary Resolution 4*
5. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. *Ordinary Resolution 5*

### AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES BY DIRECTORS PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** *Ordinary Resolution 6*

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company (excluding treasury shares) at the time of issue and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

# Notice of the Fourteenth Annual General Meeting

cont'd



## 7. PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY *Ordinary Resolution 7*

“THAT, subject to the Companies Act, 1965 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Articles of Association, the requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM0.10 each comprised in the Company’s issued and paid-up ordinary share capital, such purchases to be made through the Bursa Securities subject further to the following:

- (i) the aggregate number of shares which may be purchased and/or held by the Company shall be equivalent to ten per-centum (10%) of the issued and paid-up share capital of the Company (“Shares”) for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total retained profits of the Company. As at 30 June 2014, the audited retained profits of the Company were approximately RM77.861 million;
- (iii) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:
  - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority; and

- (iv) upon completion of the purchase(s) of the Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the shares in the following manner:
  - (a) cancel the Shares so purchased; or
  - (b) retain the Shares so purchased as treasury shares; or
  - (c) retain part of the Shares so purchased as treasury shares and cancel the remainder; or
  - (d) distribute the treasury shares as dividends to shareholders and/or resell on the Bursa Securities and/or cancel all or part of them; or



## Notice of the Fourteenth Annual General Meeting

cont'd

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any condition, modification, variation and/or amendments as may be imposed by the relevant authorities and to take all such step as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

8. To transact any other business that may be transacted at the AGM of which due notice shall have been given in accordance with the Companies Act, 1965 and Articles of Association of the Company.

### NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT the final tax-exempt dividend of 2.0 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2014, if approved by the shareholders at the Fourteenth Annual General Meeting, will be paid on 6 February 2015 to Depositors whose names appear in Record of Depositors at the close of business on 8 January 2015.

A depositor shall qualify for entitlement to the dividend only in respect of the following:

- (a) Shares transferred into the Depositor's Securities Account on or before 4.00 p.m. on 8 January 2015 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

**TAI YIT CHAN** (MAICSA 7009143)

**TAN AI NING** (MAICSA 7015852)

Company Secretaries

Selangor Darul Ehsan

25 November 2014

### NOTES:

- (A) This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. If the proxy is not a member of the Company, he/she need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies and there shall be no restriction as to qualification of the proxy.
2. A member shall be entitled to appoint up to two (2) proxies or attorneys or authorised representatives to vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

# Notice of the Fourteenth Annual General Meeting

cont'd

3. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
5. An instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised and in the case of corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 8 December 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
8. Explanatory Notes on Special Business

## **Ordinary Resolution 6**

### **Authority to Allot and Issue Shares by Directors pursuant to Section 132D of the Companies Act, 1965**

The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue shares and allot up to a maximum of ten per centum (10%) of the issued share capital of the Company (excluding treasury shares) at the time of such allotment and issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares for future business opportunities for the purpose of funding investment project(s), working capital and/or acquisitions and thereby reducing administrative time and cost associated with the convening of such meeting(s). No shares had been issued and allotted by the Company since obtaining the said authority from its shareholders at the last AGM held on 19 December 2013 and hence no proceeds were raised therefrom.

## **Ordinary Resolution 7**

### **Proposed Renewal of Authority for Purchase of Own Shares by the Company**

The proposed Ordinary Resolution 7 if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up shares of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next AGM.

Please refer to the Share Buy-Back Statement dated 25 November 2014 for further information.

9. Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the meeting and/or any adjournment thereof, a member of the Company:-

- (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



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# PROXY FORM

**MY E.G. SERVICES BERHAD**  
(505639-K)  
(Incorporated in Malaysia)

CDS ACCOUNT NO. OF  
AUTHORISED NOMINEE

NUMBER OF SHARES HELD

I/We \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)

of \_\_\_\_\_  
(ADDRESS FULL)

being a member(s) of MY E.G. SERVICES BERHAD (505639-K), hereby appoint \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)

of \_\_\_\_\_  
(ADDRESS IN FULL)

or \*THE CHAIRMAN OF THE MEETING or failing him/her, \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)

of \_\_\_\_\_  
(ADDRESS IN FULL)

as my/our proxy, to vote for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company, to be held at Hibiscus Auditorium Room, LG2, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 18 December 2014 at 10.00 a.m. and at any adjournment thereof.

\* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting or failing him/her" and insert the name(s) of the person(s) desired.

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies and wish them to vote differently this should be specified.

My/our proxy/proxies is/are to vote as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
	<b>Ordinary Business</b>		
Ordinary Resolution 1	To approve the Final Tax-Exempt Dividend		
Ordinary Resolution 2	To re-elect Dato' Dr Norraesah Binti Haji Mohamad		
Ordinary Resolution 3	To re-elect Wong Thean Soon		
Ordinary Resolution 4	To approve the payment of Directors' fees for the financial year ended 30 June 2014		
Ordinary Resolution 5	To re-appoint Messrs Crowe Horwath as Auditors of the Company		
	<b>Special Business</b>		
Ordinary Resolution 6	To approve the Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 7	To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

\_\_\_\_\_  
Signature/Common Seal of Shareholder

Contact No.: \_\_\_\_\_

## NOTES:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. If the proxy is not a member of the Company, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies and there shall be no restriction as to qualification of the proxy.
- A member shall be entitled to appoint up to two (2) proxies or attorneys or authorised representatives to vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- An instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised and in the case of corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 8 December 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- Personal Data Privacy:  
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 25 November 2014.

Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Company Secretary  
**MY E.G. SERVICES BERHAD**  
(505639-K)  
Lot 6.05, Level 6, KPMG Tower,  
8 First Avenue, Bandar Utama,  
47800 Petaling Jaya,  
Selangor Darul Ehsan.

1<sup>st</sup> fold here