MY E.G. SERVICES BERHAD (505639-K)

ANNUAL REPORT 2013

www.myeg.com.my

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1 First Avenue, Persiaran Bandar Utama,
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Tel: 03-7801 0188 Fax: 03-7801 8889
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Bandar Utama, 47800 Petaling Jaya,
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Tel: 03-7801 8888 Fax: 03-7801 8889
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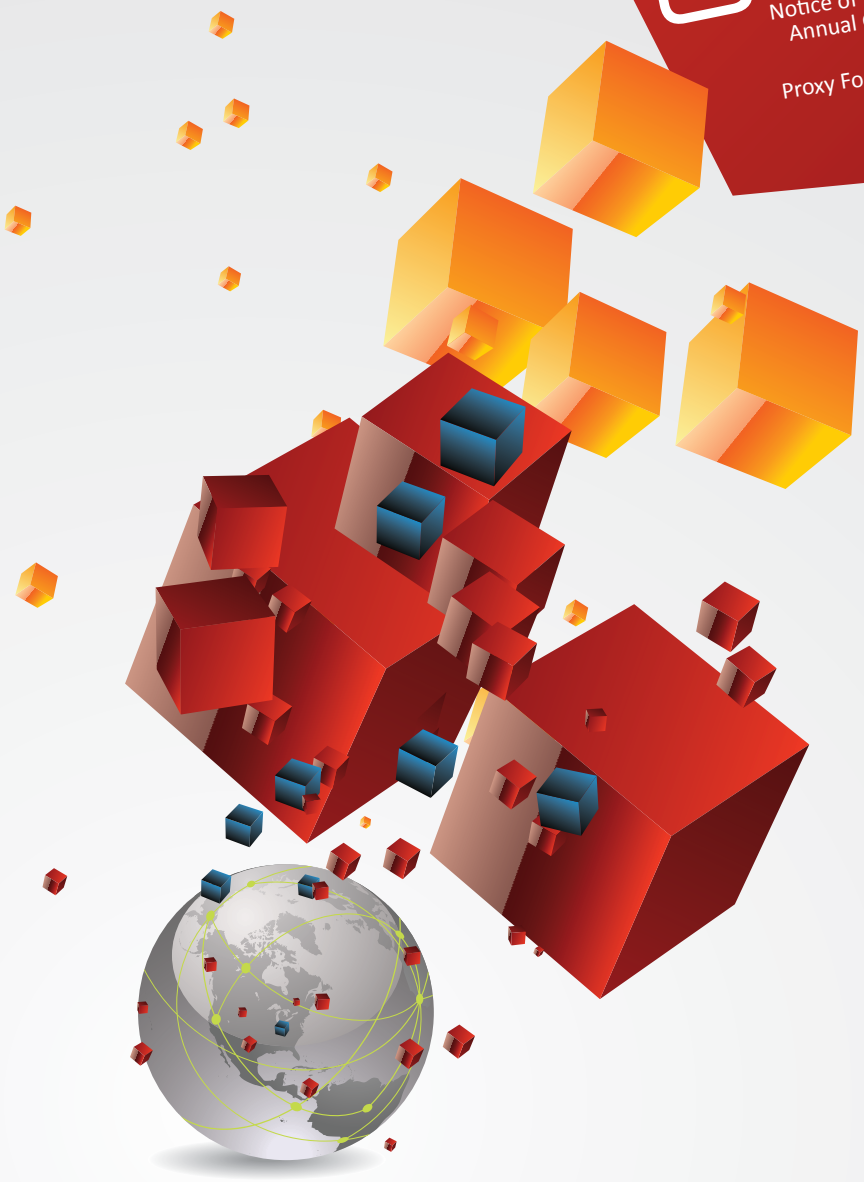
MY E.G. SERVICES BERHAD
(Company No. 505639-K)



annual report 2013

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Corporate Structure

myeg

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%



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.

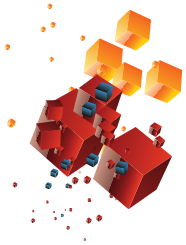
100%



Gale Vector Sdn. Bhd. ("GVSB")

Provision of software solutions and maintenance services.

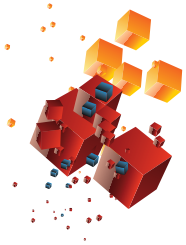
100%



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

Provision of auto insurance intermediary services.

100%



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

Investment Holding.

100%

Ipidato Sdn. Bhd. ("ISB")^

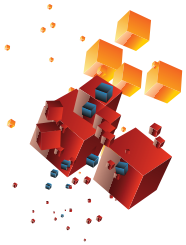
Developing and organising online debate networks and related activities.

70%

Ipidato Dot Com Sdn. Bhd. ("Ipidato DC")*

Administering and organising online debating championship and related services.

40%



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

Provision of software and hardware solutions and related services.

^ - held through MYEGC
* - held through ISB

Corporate Information

DIRECTORS

Dato' Dr Norraesah Binti Haji Mohamad
(Executive Chairperson)

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)
(Appointed to the Board on 1 Nov 2013)

COMPANY SECRETARIES

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

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
No. 8 First Avenue
Persiaran Bandar Utama
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
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7801 0188
Fax : 03-7801 8889
Email : investors@myeg.com.my
Website : 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
Lot 6.05, Level 6, KPMG Tower
No. 8 First Avenue,
Persiaran Bandar Utama
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7720 1188
Fax : 03-7720 1111

PRINCIPAL BANKERS

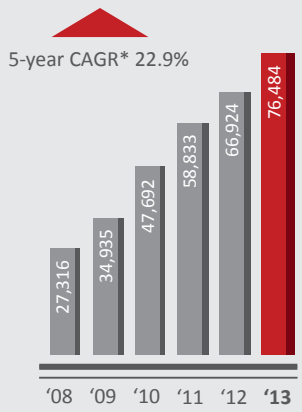
RHB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

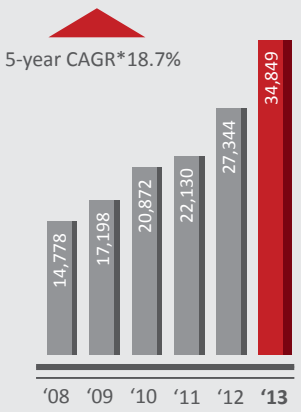
Main Market of Bursa Malaysia Securities Berhad
Stock Code: 0138

Financial Highlights

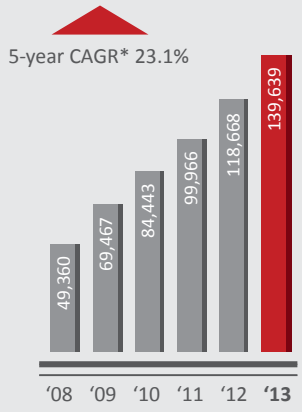
REVENUE (RM'000)



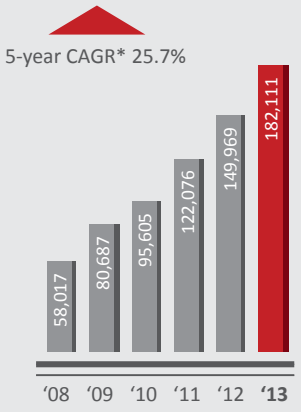
NET PROFIT (RM'000)



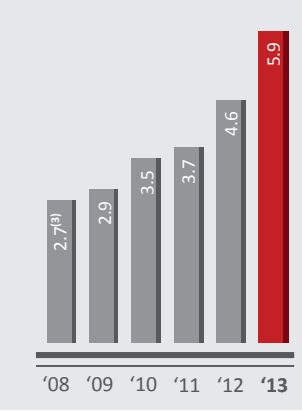
SHAREHOLDERS' EQUITY (RM'000)



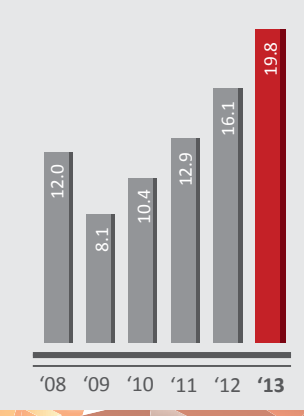
TOTAL ASSET (RM'000)



NET EARNINGS PER SHARE (SEN)



NET TANGIBLE ASSETS PER SHARE (SEN)



* *CAGR = Compounded Annual Growth Rate.*

(3) *Adjusted for 6-for-5 bonus issue on 24 December 2008.*

Financial Highlights cont'd

Summarized Group Income Statements Year Ended 30 June (RM'000)	2008	2009	2010	2011	2012	2013
Revenue [1]	27,316	34,935	47,692	58,833	66,924	76,484
EBITDA [2]	17,678	21,937	26,749	30,727	37,168	46,390
Profit Before Tax	14,825	17,315	21,009	22,960	27,610	34,391
Net Profit	14,778	17,198	20,872	22,130	27,344	34,849

Summarized Group Balance Sheets As At 30 June (RM'000)	2008	2009	2010	2011	2012	2013
Total Non-Current Assets	36,510	54,349	62,124	92,287	98,157	102,665
Total Current Assets	21,507	26,338	33,481	29,789	51,812	79,446
TOTAL ASSETS	**58,017**	**80,687**	**95,605**	**122,076**	**149,969**	**182,111**
Financed By:						
Share Capital	25,250	60,105	60,105	60,105	60,105	60105
Share Premium	-	-	-	-	-	-
Treasury Shares	-	-	(158)	(158)	(2,206)	(7,766)
Retained Profits	24,110	9,362	24,496	40,019	60,769	87,300
Shareholders' Equity	49,360	69,467	84,443	99,966	118,668	139,639
Minority Interests	80	46	-	-	-	3
Total Equity	49,440	69,513	84,443	99,966	118,668	139,642
Total Non-Current Liabilities	5,088	4,073	4,186	7,474	8,272	8,833
Total Current Liabilities	3,489	7,101	6,976	14,636	23,029	33,636
TOTAL EQUITY AND LIABILITIES	**58,017**	**80,687**	**95,605**	**122,076**	**149,969**	**182,111**

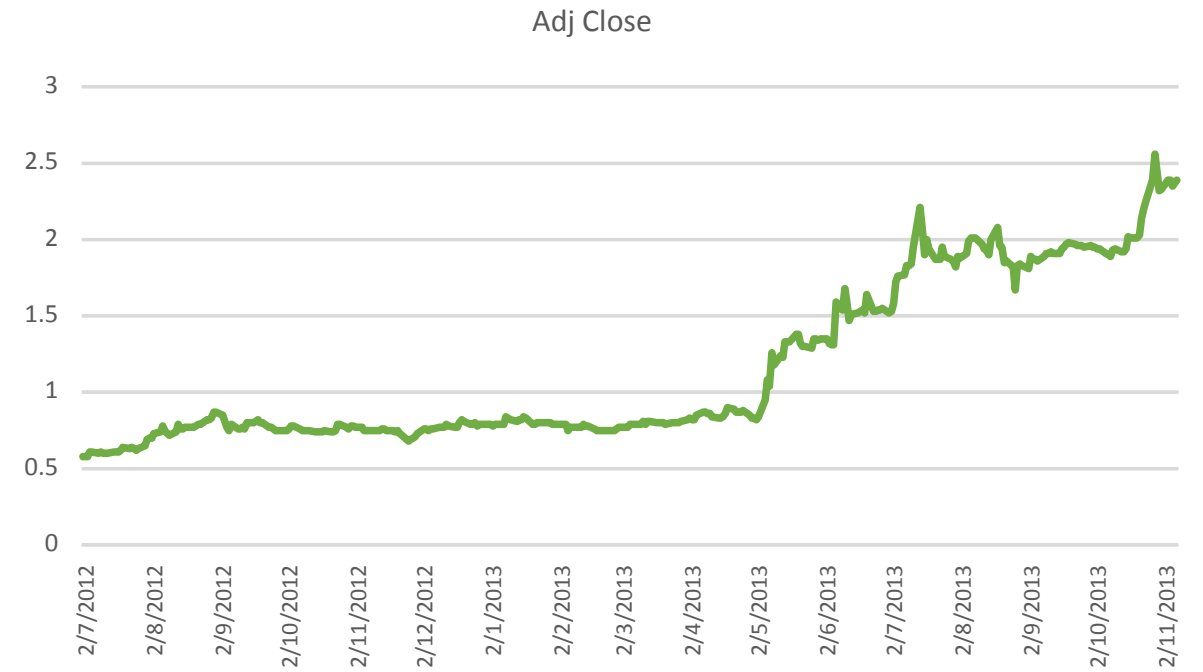
Financial Analysis	2008	2009	2010	2011	2012	2013
Revenue Growth	65.1%	27.9%	36.5%	23.4%	13.8%	14.3%
Profit Before Tax Growth	108.3%	16.8%	21.3%	9.3%	20.3%	24.6%
Net Profit Growth	109.3%	16.4%	21.4%	6.0%	23.6%	27.4%
EBITDA Margin	64.7%	62.8%	56.1%	52.2%	55.5%	60.7%
Pre-tax Profit Margin	54.3%	49.6%	44.1%	39.0%	41.3%	45.0%
Net Profit Margin	54.1%	49.2%	43.8%	37.6%	40.9%	45.6%
Return on Average Equity	34.5%	28.9%	27.1%	24.0%	25.0%	27.0%
Return on Average Total Assets	30.6%	24.8%	23.7%	20.3%	20.1%	21.0%
Net Tangible Assets Per Share (Sen)	12.0	8.1	10.4	12.9	16.1	19.8
Net Earnings Per Share (Sen)	2.7 [3]	2.9	3.5	3.7	4.6	5.9

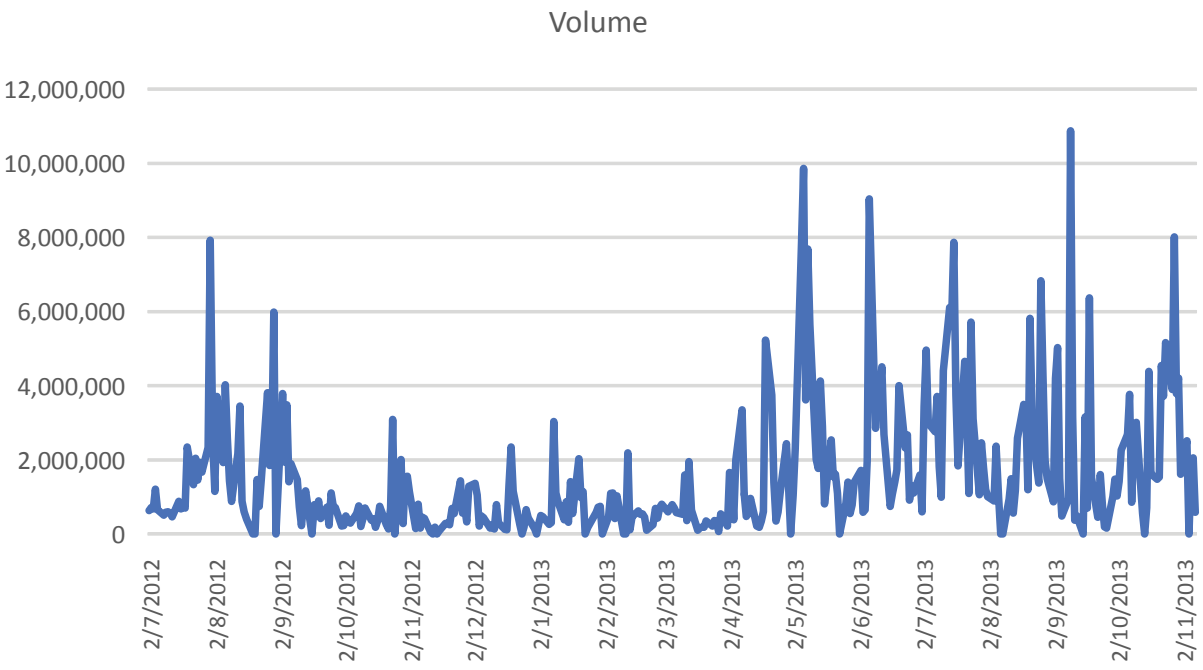
[1] Figures have been restated

[2] EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization

[3] Adjusted for 6-for-5 bonus issue on 24 December 2008

Share Price Performance
for the Period I July 2012 to 8 November 2013





Share Price Performance

Record High	RM2.62 (30 October 2013)
Closing Price as at 8 November 2013	RM2.39

Market Value Ratios as at 8 November 2013

Market Capitalization	1,410.7mil
Historical PE Multiple	40.5x
Price/Book Ratio	12.1x

Chairman's Statement



Dato' Dr Norraesah binti Haji Mohamad
Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors of My E.G. Services Berhad (MYEG or the Company), I have the pleasure of presenting to you the Company's Annual Report and financial statements for the financial year ended 30 June 2013 (FY2013).

The world economic outlook remained challenging with growth in low gear. Malaysia however, demonstrated its tenacity with Gross Domestic Product (GDP) growing 5.6% in 2012 as compared to 5.1% in 2011. This growth trend continued in the first half of 2013 when Malaysia's GDP growth averaged 4.2%, a commendable feat despite regional uncertainties.

Closer to our industry, the Malaysian Communications and Multimedia Commission reported that as at 30 June 2013, the internet broadband penetration rate in Malaysia reached 66.8%, a steady increase from 63.7% a year ago. This encouraging trend reflects end-users' willingness to embrace the benefits of internet applications as telecommunications service providers extended their reach nationwide.

These positive macro factors coupled with the efforts of the management and employees of MYEG in promoting e-Government services enabled the Group to attain another laudable performance in FY2013.

FINANCIAL PERFORMANCE

I am delighted to report that MYEG reached a new watermark in FY2013, with group revenue growing by 14.3% to RM76.5 million from RM66.9 million in the financial year ended 30 June 2012 (FY2012).

This positive revenue growth was attributable to higher transaction volumes across all our e-Government services in line with our ongoing Marketing, Advertising and Promotional (A&P) efforts.

It is also noteworthy that our Road Tax and Auto-insurance renewal services entered the high-growth stage of their product life cycles, and the steady adoption of the Highway Code test-taking service was an encouraging trend.

The higher revenue growth, coupled with the enhanced margins from increased adoption of our new services, saw our bottomline reach a higher milestone. Profit after tax achieved for FY2013 was RM35.0 million, 28.0% higher than RM27.3 million in FY2012.

Chairman's Statement
cont'd

MYEG has consistently maintained high growth in profitability for the past five years, with profit after tax growing by 18.7% on compounded annual basis.

Adding to our glowing report card, MYEG's balance sheet as at 30 June 2013 remained healthy with group shareholders' equity climbing to RM139.6 million versus RM118.7 million as at FY2012. With the continued improvement in operating cash flows, MYEG moved into a net cash position as at FY2013. This accords the Group the ability and necessary flexibility to undertake capital expenditure for the rollout of new services in the future.

DIVIDEND

The Board declared and paid to shareholders the first interim dividend of 0.5 sen per ordinary share on 21 May 2013. With the Group's strong growth and favourable financial position, the Board is pleased to propose for shareholders' approval a final tax exempt dividend of 1.3 sen per ordinary share in respect of FY2013.

Assuming the shareholders' acceptance of this final dividend at the upcoming Annual General Meeting, MYEG would effectively reward shareholders with dividends totalling 1.8 sen per ordinary share in respect of FY2013, thus distributing RM10.8 million in dividend payout. This represents 30.9% of FY2013 net profit, which is in line with our dividend policy of distributing minimum 30% of our annual profit after tax to shareholders.

CORPORATE DEVELOPMENTS

- ***Memorandum of Understanding (MOU) between MYEG and Celcom Axiata Berhad (Celcom)***

  On 2 September 2013, the Group entered into an 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.

  Celcom is Malaysia's premier mobile telecommunications provider with the widest network coverage of over 98% of the population. In addition to being a leading player in mobile broadband service, Celcom is moving towards integrated multi-access and multimedia services, in line with evolving technologies and consumer behaviour in Malaysia.

  This MOU dovetails with MYEG's business strategy and we are confident that this collaboration will produce results in the coming years. The MOU will be valid for one year with an option for mutual extension.

- ***Subscription of shares in Ipidato Dot Com Sdn Bhd (Ipidato DC)***

  Earlier in April 2013, MYEG's wholly-owned subsidiary, Ipidato Sdn Bhd (Ipidato), acquired 70% equity intent in Ipidato DC for a total cash consideration of RM7,000, representing 7,000 ordinary shares of RM1.00 each.

  Ipidato DC's principal activities include administering and organising online debating championships, as well as undertaking ancillary services.

  The remaining 30% stake in Ipidato DC is held by Yayasan Orator, a foundation set up to promote public speaking and oratory skills. With this, Ipidato DC will jointly organise online debates with Yayasan Orator in order to promote a culture of wholesome and educational debates that bring about new ideas to the society.

FUTURE OUTLOOK

The pace of internet adoption in Malaysia has been rapid. The number of internet users is expected to rise to 21 million by 2016. This would be further magnified with the Government's various initiatives under the Digital Malaysia programme, which aims to facilitate the country's advancement into the digital economy by 2020.

Given the strong foundations laid in e-Government services since 2000, we opine that our record breaking year in FY2013 serves as a timely tipping point as we move into a new chapter of our growth story.

Chairman's Statement cont'd

Going forward, we will continue to engage with more Government agencies to digitise their existing services in a positive effort to bring greater ease of access to Malaysians. We are already collaborating with a number of ministries and agencies in this respect, to bring about smoother and more efficient delivery of public services.

We also intend to continue to introduce at least two new services each year, thereby keeping the Group's growth momentum in a sustainable manner.

Finally with the current range of services offered online via www.myeg.com.my, we will continue to build up MYEG's brand name and to continually reach out and be relevant in the lives of Malaysian.

CORPORATE RESPONSIBILITY (CR)

Through Corporate Responsibility practices, MYEG aims to make a positive impact on the communities we engage in and promote sustainable growth for Malaysians, especially on youth development programmes as we see them as the future generation of leaders and entrepreneurs.

MYEG played an important role in encouraging the young generation to be "technopreneur". With this in mind, we continued with the third season of the television reality show "Make The Pitch" to encourage the birth of new and innovative ideas and the commercialisation of these ideas.

As a responsible corporate citizen, MYEG has also made donations to charitable organizations, sponsoring under-privileged students and charity events organized by school societies.

Within our organization, we are constantly looking into the welfare of our staff. In additions to the various health and safety policies and programmes, we also provide continuous training activities and have in place an education subsidy scheme to allow our employees to continually upgrade their knowledge and skills. We believe these initiatives will enhance our employee's capabilities and contribute significantly to MYEG in the long term.

CORPORATE GOVERNANCE

MYEG will continue to exercise great diligence to maintain effective corporate governance and preserve the high standards of business practices that are expected of us as a listed entity. The Company will continually adhere to these principles and policies that have been set up to preserve shareholder value. A review of the Group's corporate governance policies is included in this Annual Report.

ACKNOWLEDGEMENTS

This indeed has been a tremendous year for MYEG. We would like to express our appreciation to the various Government agencies and authorities for their continued support and confidence in MYEG.

I would like to thank the Board, management and employees of MYEG for their committed hard work, brilliant and innovative ideas, and unwavering loyalty that have seen us grow to the company we are today.

To our valued shareholders, business partners and fellow Malaysians, our continuous efforts to provide quality e-Government services stems from your constant encouragement; for that we convey our sincerest gratitude.

Rest assured that exciting times are ahead for MYEG and with your support on board, the future looks brighter than ever.

Dato' Dr Norraesah binti Haji Mohamad
Executive Chairman

Business Review

FY2013 proved to be another fantastic year as group revenue jumped 14.3% year-on-year to RM76.5 million from RM66.9 million in FY2012. We believe that this outstanding feat was achieved through the efforts and commitment of the entire team of management and employees of MYEG in delivering second-to-none quality in our e-Government services.

Among the Group's operational highlights in the year under review include:

- **Bolstering adoption of existing e-Government services**

  It is notable that the Group witnessed an upsurge in both user base and number of transactions on www.myeg.com.my in FY2013. This lends credibility to our proposition as a convenient mode for citizens to transact with the Government.

  A case in point is our Road Tax Renewal Service, which continues to be well received by Malaysians since its launch in 2008. To date, the number of transactions for this service has increased to a daily average of 12,000 transactions in FY2013 as compared to the daily average of 9,000 transactions a year ago. The related Auto-Insurance Renewal service has seen similar percentage of increase in take-up amongst users.

  Our Temporary Ownership Transfer System service or *"Sistem Tukar Milik Sementara"*, which was launched in December 2011 has seen promising adoption rates within its first year.

- **Introducing new innovative e-Government services**

  As a complementary component to the Temporary Ownership Transfer System, we introduced the Voluntary Ownership Transfer System or *"Sistem Tukar Milik Sukarela"* in August 2012. Unlike the "temporary" service which allowed sellers to transfer the vehicle ownership to used car dealers, the new Voluntary Ownership Transfer System enables sellers to transfer the ownership of the vehicle directly to the buyer.

  We are pleased to note positive response to the new service to date, where several commercial banks have completed system trials and are integrating the systems requirements into their operations.

  Thereafter in November 2012, MYEG introduced the online Foreign Worker Permit Renewal services to include foreign workers from labour intensive industries namely, construction, plantation, manufacturing and the services sector.

  This new service is an extension from the online Foreign Domestic Helper Permit Renewal which only allows online renewal of domestic helpers' permit.

  We believe that this new service will greatly benefit the labour-intensive corporations and we have been working closely with numerous plantation companies to handle permit renewals of their foreign workers. To date we have successfully delivered approximately 2,000 *Pas Lawatan (Kerja Sementara)* permits.

- **Fortifying the MYEG brand**

  In seeking to build and increase mindshare amongst Malaysian, MYEG continued to sustain marketing and A&P endeavours in the year under review, focusing on mass media and social media.

  MYEG continued to sponsor various sporting and entertainment events to create brand familiarity and reach our target markets. These included being the main broadcast sponsor of the Barclays Premier League on cable television in Malaysia, and joint sponsors for various concerts, sporting events and youth movement.

  In addition, MYEG also conducted targeted campaigns in collaboration with established corporations to raise awareness of our MYEG portal and suite of services. A successful example is MYEG's partnership with DiGi Telecom, a leading mobile service provider in Malaysia, to provide 'free talk time' for DiGi subscribers who renew their insurance and road tax with MYEG. We are pleased to report that this campaign generated a huge 50% increase in daily average registrations for motor insurance and road tax during the campaign period.

  Furthermore, we leverage on our existing social media presence to engage with the public via our Twitter and Facebook accounts. MYEG's twitter account "@myegclub" has attracted more than 1,500 'followers' while our Facebook page, "Friends of MYEG" has gained over 70,000 'likes' to date.

  Such platforms serve as important tools for us to not only update followers on the latest developments in MYEG, but also to facilitate two-way interaction for better understanding of our e-Government services.

  The second season of our "Make the Pitch" reality television contest was a huge success, and effectively raising the bar for the number of participants and the creativity of business ideas presented. We are continuing with the third season in an effort to identify and assist potential technopreneurs to transform their ideas into commercially viable services.

  In addition to Make The Pitch, MYEG had also entered into a Memorandum of Understanding (MOU) with Cradle Fund Sdn. Bhd. (CFSB) to establish a proposed fund of RM60 million to provide seed capital to early stage technology companies and other entities.

FUTURE OUTLOOK

With the Government's ongoing emphasis and host of initiatives to encourage internet penetration alongside our own business expansion efforts, we are poised to build upon this success thus far to secure our growth prospects in the coming year.

We will continue to create awareness among Malaysians of our suite of e-Government services, especially recently introduced services. With this in mind, our A&P efforts will continue as we believe with increased awareness, the landscape of e-Government services will be transformed to benefit Malaysians in general.

Additionally, we will endeavour to roll out new services with the various Government Ministries and agencies stemming from our research and development activities. We will continue to work on the Customs Service Tax Monitoring system that is expected to take effect upon the implementation of the Goods and Service Tax nationwide.

Finally, we remain committed to brand building initiatives on MYEG's brand name through our A&P efforts. We believe that this would go a long way in delivering a positive image of MYEG in the public eye, on top of encouraging adoption of e-Government services.

We are confident and optimistic of our prospects going forward.

Events Highlight

BANTUAN LESEN 1 MALAYSIA (BL1M)

In January 2013, MYEG was appointed to manage and administer the *Bantuan Lesen 1 Malaysia* (BL1M) programme nationwide, a government initiative to encourage motorcyclist to be licenced.



LAUNCH OF NEW SERVICE

MYEG had launched its new service which is Foreign Worker Permit Renewal that was initiated in May 2013, which cover all types of foreign workers.

MYEG also launched the Vehicle Ownership Transfer that has been operational since October 2012, which covers all sale and registration of second hand vehicle.

PROMOTION

MYEG and DIGI, in March 2013 launched a promotion that granted talk-time rebates to subscribers of the Telco who renewed their road tax and insurance with MYEG.

MYEG PARTNERS CELCOM

MYEG has teamed up with Celcom Axiata Berhad in Sept 2013 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.

TELEVISION REALITY SHOW

MYEG continued with the Second Season of the television reality show "Make the Pitch" due to overwhelming response which was launched in July 2012, MYEG continued with the third season of this reality show which commenced in July 2013.

SPONSORSHIP OF EVENTS INCLUDING CONTEST, SPORTS ENTERTAINMENT, LIVE CONCERTS AND MISS UNIVERSE MALAYSIA

MYEG was a Gold Sponsor for Naza Nexus Racing Team 2013.

MYEG was a presentation sponsor and co-sponsor for live concerts of famous artiste namely Wakin Chau, Lee Hom Music Man II and Silver Spoon.

MYEG was also a sponsor for the 2014 Miss Malaysia Universe.

RECOGNITION GARNERED

On September 2013, MYEG was awarded as the Best Managed Small-Cap Company in Malaysia, at the Asia Money Award 2013.

MYEG was also nominated by Malaysia Investor Relations Association (MIRA) for Best Investor Relations (IR) Website award in July 13 at the Malaysia Investor Relations (IR) Awards 2013.







Directors' Profile



DATO' DR NORRAESAH BINTI HAJI MOHAMAD
Executive Chairman

Dato' Dr Norraesah Binti Haji Mohamad, a Malaysian aged 65, 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 Admininistration, 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 fourty one (41) years of working experience in the field of banking, consultancy, telecommunication, international trade and commerce.

From 1972 to 1985, she worked for the Ministry of International Trade and Industry during which time she was in charged of trade policies and bilateral and multilateral trade, and trade fairs and missions. From 1986 to 1988, she was attached to the Ministry of Finance, responsible for privatisation and debt management matters. In 1988, she left the public sector to join ESSO Production Malaysia Inc. as a Communications Manager. From 1990 to 1991, she 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 serves on the Organisation of Islamic Conference ("OIC") countries. She is 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 Ya Horng Electronic (M) Berhad, Adventa Berhad, Malaysian Genomics Resource Centre Berhad, ICapital.Biz 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 2013. She holds 6,960,000 ordinary shares directly in the Company.

Directors' Profile
cont'd



WONG THEAN SOON
Managing Director

Wong Thean Soon, a Malaysian aged 42, 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 12 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 2013. He holds 50,426,006 ordinary shares directly in the Company and 189,657,998 ordinary shares indirectly in the Company.

Directors' Profile
cont'd



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 67, was appointed to the Board on 31 December 2008. He is the Chairman of the Audit and Remuneration Committees and also 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 Malaysia (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 the Chairman of Malaysian Qualifications Agency (MQA) from 2007 – 2009.

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 the Non-Executive Chairman of Goodyear Malaysia Berhad and a Director of Malaysian Director's Academy (MINDA). 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 2013. He holds 2,503,000 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 50, 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 Managing 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 holds until October 2013.

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 all five (5) Board meetings held in the financial year ended 30 June 2013. He holds 409,900 ordinary shares directly in the Company and 189,657,998 ordinary shares indirectly in the Company.

Directors' Profile
cont'd



NG FOOK AI, VICTOR
Independent Non-Executive Director

Ng Fook Ai, Victor, a Singaporean aged 65, was appointed to the Board on 2 January 2008. He is also a member of the Audit and 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.

He has over 40 years of experience in financial advisory services and he was a former Principal/Consulting Partner of KPMG Singapore. Victor has also 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 founded and managed a number of China focused funds, 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 focused on China. He is also the Chairman of Rockstead Capital Fund Ltd, a regulated fund management.

He is also a Non-Executive Chairman and Audit Committee member of Singapore listed Devotion Energy Group limited, a clean energy equipment business, and Independent Director and Audit Committee Chairman of Singapore listed Asia Power Corp Ltd, which owns and operates eco-friendly hydropower plants in China. 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 2013.

Directors' Profile
cont'd



DATUK MOHD JIMMY WONG BIN ABDULLAH
Independent Non-Executive Director

Datuk Mohd Jimmy Wong Bin Abdullah, a Malaysian aged 51, was appointed to the Board on 18 August 2006. He is also a Chairman of the Nomination Committee and member of the Audit and Risk Management Committee and Remuneration Committee.

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 2013. He holds 552,000 ordinary shares directly in the Company.

Directors' Profile
cont'd



DATO' SHAMSUL ANUAR BIN HAJI NASARAH
Independent Non-Executive Director
(Appointed on 1 November 2013)

Dato' Shamsul Anuar Bin Haji Nasarah, a Malaysian, aged 46, was appointed to the Board on 1 November 2013.

He graduated with an Executive Diploma in Counseling from University of Malaya (UM). He also holds a Master of Arts in Sociology from 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 does not hold any directorship in any other public or public listed company. He does not hold any shares in the Company.

Corporate Governance Statement

The Board of Directors ("the Board") of the Company 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 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. Together 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.

The Board recognises its stewardship responsibilities to effectively discharge their role in setting strategic directions, establishing goals for management and monitoring the achievement of these goals, business sustainability, identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, overseeing the review of effectiveness of internal controls and developing investor relations programmes.

The Board has adopted a Board Charter on 24 October 2013 which sets out its roles, functions, composition, operation and processes, in line with the principles of good corporate governance and requirements of Main Market Listing Requirements ("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 the Company's website at 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 the Group's businesses to evaluate whether the 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 and delegated the day to day management of the business of the Group to Executive Directors and Management subject to an agreed authority limit.

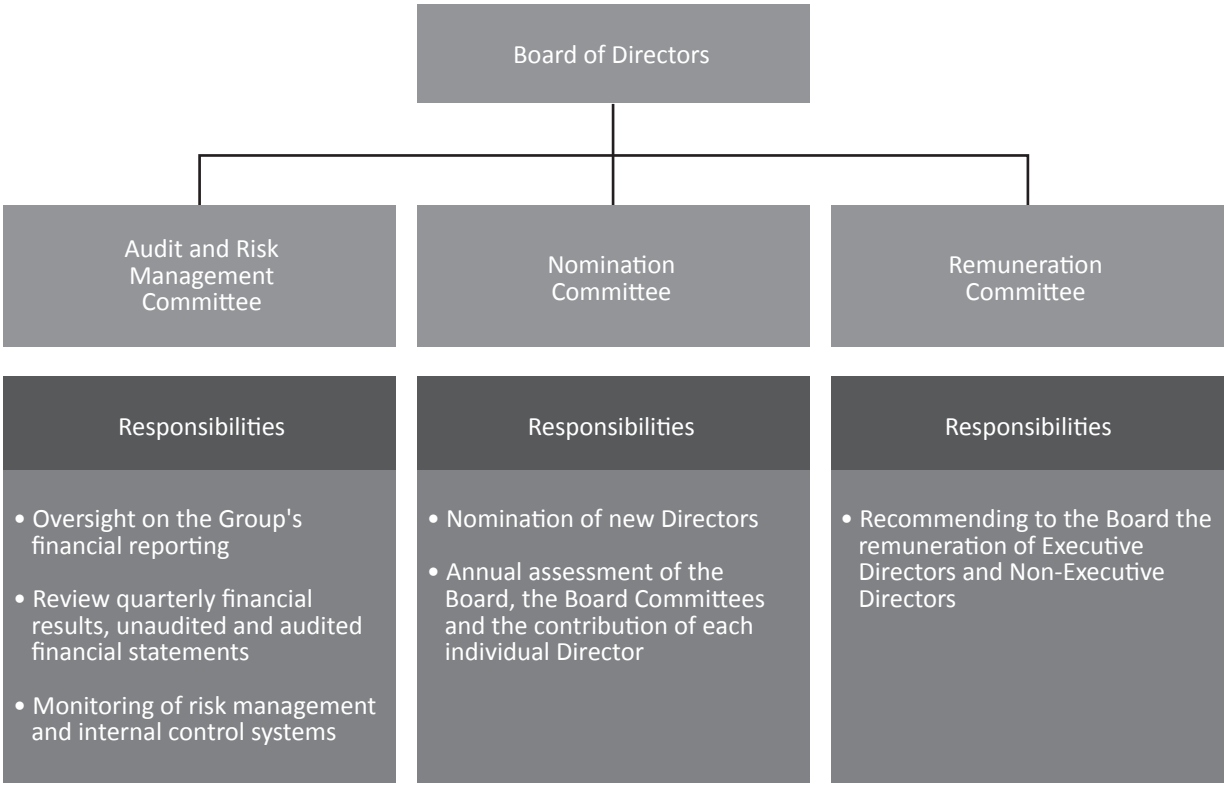
Corporate Governance Statement
cont'd

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES *cont'd*

Board Roles and Responsibilities *cont'd*

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.

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 in maintaining the highest standards of corporate governance practices and ethical standards.

The Board has formalised a Code of Ethics and Code of Conduct on 24 October 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 of 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.

Corporate Governance Statement
cont'd

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES *cont'd*

Sustainability

The Company recognises the importance of sustainability and its increasing relevance to the Group's businesses. The Company is committed to understanding and implementing sustainable practices and exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success.

During this transition in implementing the Code, the Board has adopted the Sustainability Policy on 24 October 2013. This policy aims to integrate the principles of sustainability into the Group's strategies, policies and procedures. This policy will ensure that the Board and senior management are involved in implementation of sustainability practices and monitor the 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 decision making and the delivery of outcomes.

Details of the Corporate Responsibility practices 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 and sufficient notice is given to the Directors to review the papers and agenda for the meeting.

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 to enable them to carry out their duties effectively and diligently. Where considered necessary, the Board may obtain independent professional advice in the furtherance of their duties, at the Company's expense.

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 permit their removal and appointment of a successor by the Board as a whole.

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 Company 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.

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 to whom concerns can be conveyed is not necessary at this stage as the Chairman fully encourages active participation of each and every Board member at the Board meetings.

Board Membership Criteria

The NC is responsible for determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business. All Directors are expected to be individuals with integrity, high personal and professional ethics, sound business judgment, and the ability and willingness 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.

The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the Company's businesses and represent shareholders' interests through the exercise of sound judgment, using its diversity of experience.

The Board has no specific gender diversity policy in regards to members of 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.

Corporate Governance Statement
cont'd

STRENGTHEN COMPOSITION *cont'd*

Board Membership Criteria *cont'd*

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 109.

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 has performed the annual evaluation for financial year ended 30 June 2013 and presented the results to the Board on 24 October 2013. 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 and also evaluated the level of independence of the Directors.

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.

In addition, the Board has formalised a Directors' Assessment Policy which set out the procedures and criteria used in the assessment of Board, Board Committees, Directors and independence of Independent Directors on 24 October 2013.

Remuneration Committee

The 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' undertaking responsibilities and fiduciary duties in steering and growing the Group in achieving its long term strategies and to enhance the value of its shareholders.

The RC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the businesses of the Group. 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.

STRENGTHEN COMPOSITION *cont'd*

Remuneration Committee *cont'd*

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

The Board has formalised a Directors' Remuneration Policy on 24 October 2013 which aims to attract, develop and retain high performing and motivated Directors with a competitive remuneration package.

The aggregate remuneration of the Executive Directors and Non-Executive Directors for the financial year ended 30 June 2013 is as follows:

	Fees	Salaries	Other Emoluments	Benefits In Kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors	442	-	-	-	442
Non-Executive Directors	144	-	-	-	144
Total	**512**	**-**	**-**	**-**	**512**

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
RM50,001 – RM100,000	-	2	2
RM100,001 – RM150,000	2	-	2
RM150,001 – RM200,000	1	-	1
Total	3	2	5

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 Main Market Listing Requirements 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 independence to ensure on-going compliance with this requirement annually.

Corporate Governance Statement
cont'd

REINFORCE INDEPENDENCE *cont'd*

Annual Assessment of Independence *cont'd*

For the financial year ended 30 June 2013, 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.

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 Company 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 Mr. 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)*	5/5	100%
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%

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 and update from time to time, particularly on relevant new laws and regulations, financial reporting, risk management and investor relations to equip themselves with the knowledge to effectively discharge their duties as Directors.

During the financial year, the Directors attended a technical briefing on the new guidelines for directors of public listed companies on the statement on risk management and internal control issued by the Institute of Internal Auditors Malaysia and MIRA-Boardroom Conference on Governance and Enterprise Risk Management held on 19 September 2013 at Bursa Malaysia, apart from reading Main Market Bursa's circulars 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 Main Market Listing Requirements of Bursa Securities.

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 30 to 34 under ARMC Report of this Annual Report.

Corporate Governance Statement
cont'd

UPHOLD INTEGRITY IN FINANCIAL REPORTING *cont'd*

Suitability and Independence of Internal and External Auditors

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

The internal auditors meet the ARMC at least four (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 external and internal 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 and ensures it does not give rise to conflict of interests. The excluded contracts should 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 RM107,000 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 2013.

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 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 statement 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 at the Company for the financial year ended 30 June 2013, the Group has used the appropriate accounting policies and applied them 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 strategy. It 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 35 to 36 of this Annual Report provides an overview of the state of risk management activities within the Group.

Corporate Governance Statement
cont'd

RECOGNISE AND MANAGE RISKS *cont'd*

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

The Board has formalised a Corporate Disclosure Policies and Procedures on 24 October 2013 which is aimed 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 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 Group 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.

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.

Audit and Risk Management Committee Report

The Board of Directors of MYEG is pleased to present the Audit and Risk Management Committee Report for the financial year ended 30 June 2013.

MEMBERSHIP

As at the date of this Annual Report, the members of the Audit and Risk Management Committee ("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 six (6) meetings during the financial year ended 30 June 2013. 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 2013 are as follows:

ARMC Members	Meetings Attended
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim (Chairman)	6/6
Datuk Mohd Jimmy Wong Bin Abdullah	6/6
Ng Fook Ai, Victor	5/6

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 a representative was present at all the meetings. Upon invitation, representatives of the External Auditors and the Senior Management Staffs 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 External Auditors and two (2) meeting with the Internal Auditor without the presence of the Management to discuss any issues or significant matters, which the external/internal auditors wished to raise.

Audit and Risk Management Committee Report
cont'd

COMPOSITION AND TERMS OF REFERENCE

The Terms of Reference of the ARMC are as follows:

1. Composition

The Audit and Risk Management Committee ("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.

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 Company 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 external auditors to discuss any matters without the presence of the management and any executive members of the Board and at least two (2) times a year with the internal auditors.

Audit and Risk Management Committee Report
cont'd

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 external auditors and internal auditors, excluding the attendance of the executive members of the ARMC, whenever deemed necessary;
g) promptly report to the Bursa Malaysia Securities Berhad ("Bursa Securities"), or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board of Directors 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.

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.

Audit and Risk Management Committee Report
cont'd

COMPOSITION AND TERMS OF REFERENCE *cont'd*

6. Duties *cont'd*

f) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors, 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.

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.

Audit and Risk Management Committee Report
cont'd

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE ARMC *cont'd*

(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 a technical briefing on the new guidelines for directors of public listed companies on the statement on risk management and internal control issued by the Institute of Internal Auditors Malaysia and MIRA-Boardroom Conference on Governance and Enterprise Risk Management held on 19 September 2013 at Bursa Malaysia, apart from reading Main Market Bursa's circulars and other technical, professional, financial and business literature to enhance their knowledge and enable them to discharge their duties more effectively.

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 of Directors 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 of Risk Management & Internal Control on pages 35 to 36.

Statement of Risk Management & Internal Control

INTRODUCTION

The Board is pleased to provide the Statement on Risk Management and Internal Control ("Statement") prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided the Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers in this annual report for the financial year ended 30 June 2013.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of internal controls and risk management and for reviewing the adequacy and effectiveness of systems of internal controls and risk management practices to ensure shareholders' interest and the Group's assets are safeguarded.

Given the inherent limitations in any system of internal control, such system can only manage the risk rather than eliminate the risk of failure to achieve the Group's corporate objectives. Therefore, the system can only provide reasonable but not absolute assurance against material misstatement or loss, contingencies, fraud or any 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 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.

Subsequent to the financial year ended 30 June 2013, the Board formalized the Group's risk management policy whereby the ARMC shall be responsible for ensuring adequacy and effectiveness of the risk management practices and the Risk Management Working Group, comprising of key management staff, shall be carrying out the risk management activities and report accordingly to the ARMC.

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 2013, the internal audit function carried out audits in accordance with the internal audit plan approved by the AC 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 of Risk Management & Internal Control
cont'd

INTERNAL AUDIT FUNCTION *cont'd*

In addition, follow up visits 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.

For the financial year ended 30 June 2013, the amount of fees incurred in respect of the internal audit reviews performed by the professional service firm was approximately RM 45,000.

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 Board and the Audit Committee.

(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.

The Board is of the view that the Group's system of risk management and internal controls 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 system of risk management and internal controls.

REVIEW BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities and the Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers and have reported to the Board that it appropriately reflects the processes that the Board has adopted in reviewing the adequacy and integrity of the system on internal controls and risk management.

Additional Compliance Information

1. Share Buy-Backs

The shareholders of the Company at the Twelfth Annual General Meeting held on 19 December 2012, 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 6,490,200 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)
July 2012	1,027,200	0.585	0.630	0.605	625,598.50
September 2012	100,000	0.792	0.792	0.792	79,789.03
November 2012	667,000	0.685	0.750	0.723	484,163.21
December 2012	666,000	0.760	0.800	0.783	527,192.72
January 2013	515,700	0.775	0.795	0.785	407,195.73
February 2013	844,300	0.745	0.780	0.761	647,693.89
March 2013	256,200	0.792	0.805	0.797	204,628.12
April 2013	1,485,300	0.815	0.890	0.850	1,273,806.83
May 2013	103,800	0.900	0.900	0.900	94,102.55
June 2013	824,700	1.313	1.590	1.487	1,215,605.30
Total	6,490,200	-	-	-	5,559,775.88

As at 30 June 2013, the Company had bought back 10,098,600 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 2013.

3. Depository Receipt ("DR") Programme

During the financial year ended 30 June 2013, 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
cont'd

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 2013 amounted to approximately RM3,000.

6. Material Contracts

There were no material contracts subsisting at the end of financial year ended 30 June 2013 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 2013 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

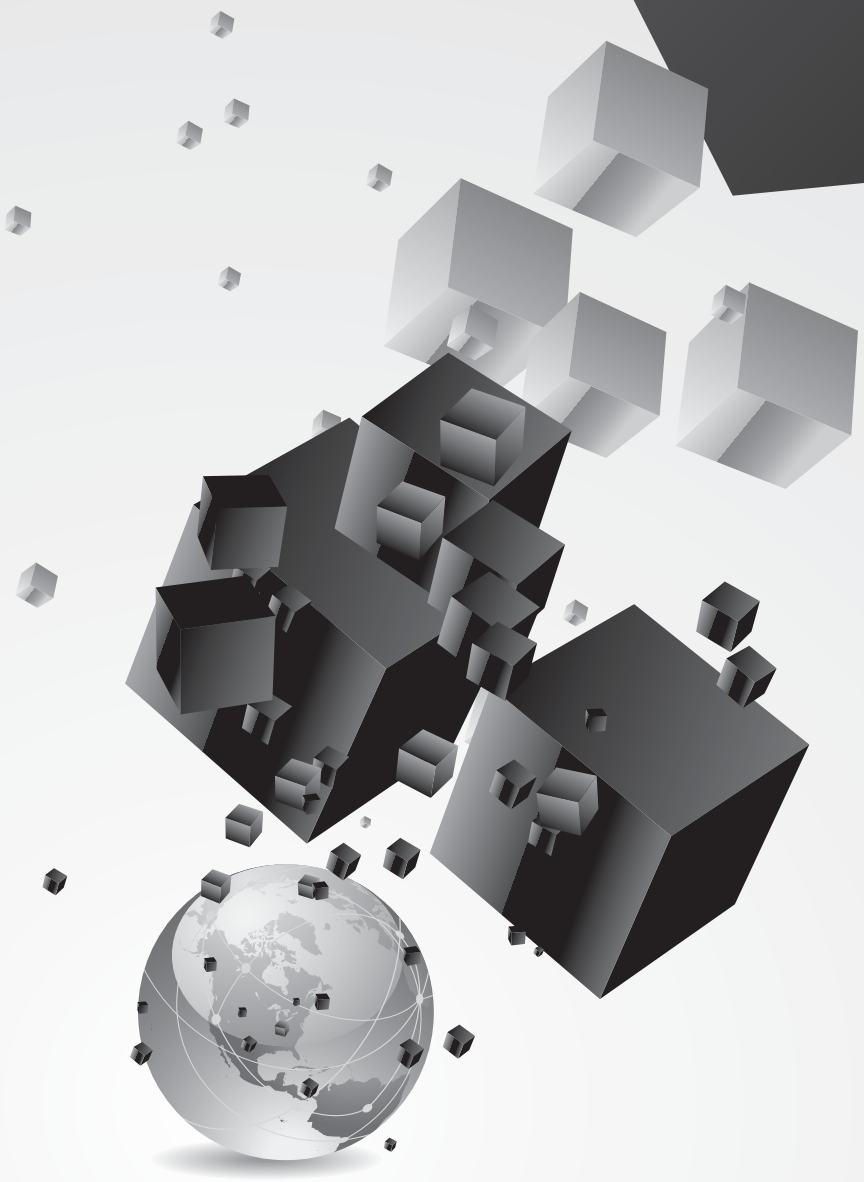
There were no contracts relating to loans by the Company involved Directors' and Major Shareholders' interests.

11. Utilisation of Proceeds

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

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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 2013.

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	The Company
	RM'000	RM'000
Profit after taxation for the financial year	34,849	27,856
Attributable to:-		
Owners of the Company	34,849	27,856
Non-controlling interest	#	-
	34,849	27,856

- *represents an amount less than RM1,000.*

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 2012:-	
Paid a final tax-exempt dividend of 0.90 sen per ordinary share on 25 January 2013	5,355
In respect of the financial year ended 30 June 2013:-	
Paid an interim tax-exempt dividend of 0.50 sen per ordinary share on 21 May 2013	2,963

The directors propose the payment of a final tax-exempt dividend of 1.30 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 6,490,200 of its issued ordinary shares from the open market at an average price of RM0.86 per share. The total consideration paid for the purchase was RM5,560,000 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 2013, the Company held as treasury shares a total of 10,098,600 of its 601,051,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM7,766,000. 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 there are no known bad debts 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 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
cont'd

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 liability is 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

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 1.7.2012	Bought	Sold	At 30.6.2013
Direct Interests				
Dato' Dr Norraesah Binti Haji Mohamad	6,960,000	-	-	6,960,000
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	2,503,000	-	-	2,503,000
Wong Thean Soon	50,426,006	-	-	50,426,006
Dato' Raja Haji Munir Shah Bin Raja Mustapha	409,900	-	-	409,900
Datuk Mohd Jimmy Wong Bin Abdullah	552,000	-	-	552,000
Indirect Interests				
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim [(1)]	1,700,000	-	-	1,700,000
Wong Thean Soon [(2)]	189,657,998	5,800,000	(5,800,000)	189,657,998
Dato' Raja Haji Munir Shah Bin Raja Mustapha [(2)]	189,657,998	5,800,000	(5,800,000)	189,657,998

[(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 their interests in Asia Internet Holdings Sdn. Bhd. ("AIH") and Asia Internet E-Services Holdings Sdn. Bhd. ("AIEH").*

By virtue of their shareholdings in AIH and AIEH, 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 to the extent of AIH and AIEH's interests, in accordance with Section 6A of the Companies Act 1965 in Malaysia.

The other director holding office at the end of the financial year had 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.

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.

Directors' Report
cont'd

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the year is 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 24 October 2013.

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 48 to 103 are drawn up in accordance 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 state of affairs of the Group and of the Company at 30 June 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 45, 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 24 October 2013.

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 48 to 103 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
at Kuala Lumpur in the Federal Territory
on this 24 October 2013

Wong Thean Soon

Before me
Datin Hajah Raihela Wanchik
No: W 275
Commissioner for Oaths

Independent Auditors' Report

to the Members of MY E.G. Services Berhad

(Incorporated 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 2013 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 48 to 103.

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 2013 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.

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.

Independent Auditors' Report
to the Members of MY E.G. Services Berhad
(Incorporated in Malaysia) Company No: 505639 - K
cont'd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS *cont'd*

(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 45 on page 104 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

1. As stated in Note 3.1 to the financial statements, My E.G. Services Berhad adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 July 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2012 and 1 July 2011, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 June 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the financial year then ended.

2. 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

OOI SONG WAN
Approval No: 2901/10/14 (J)
Chartered Accountant

24 October 2013

Kuala Lumpur

Statements of Financial Position
at 30 June 2013

		The Group			The Company		
		30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	5	-	-	-	13,196	13,196	13,196
Investment in an associate	6	-	-	-	400	400	400
Equipment	7	77,531	74,637	69,769	25,729	48,926	58,448
Other investments	8	1,734	350	-	-	-	-
Development costs	9	10,674	11,154	10,502	7,157	7,903	9,422
Goodwill on consolidation	10	12,016	12,016	12,016	-	-	-
Deferred tax asset	11	710	-	-	-	-	-
		102,665	98,157	92,287	46,482	70,425	81,466
CURRENT ASSETS							
Trade receivables	12	13,552	12,072	8,110	1,950	3,618	5,825
Other receivables, deposits and prepayments	13	12,846	13,581	10,421	8,178	7,485	6,519
Amount owing by subsidiaries	14	-	-	-	12,468	2,079	9,469
Amount owing by an associate	15	34,622	16,306	5,872	33,172	16,306	5,872
Tax refundable		37	31	52	-	-	9
Fixed deposits with licensed banks	16	7,619	6,935	1,436	6,026	5,912	1,414
Cash and bank balances	17	10,770	2,887	3,898	9,456	1,064	3,446
		79,446	51,812	29,789	71,250	36,464	32,554
TOTAL ASSETS		182,111	149,969	122,076	117,732	106,889	114,020
EQUITY AND LIABILITIES							
EQUITY							
Share capital	18	60,105	60,105	60,105	60,105	60,105	60,105
Treasury shares	19	(7,766)	(2,206)	(158)	(7,766)	(2,206)	(158)
Retained profits	20	87,300	60,769	40,019	51,129	31,591	37,642
		139,639	118,668	99,966	103,468	89,490	97,589
Non-controlling interest		3	-	-	-	-	-
TOTAL EQUITY		139,642	118,668	99,966	103,468	89,490	97,589

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

Statements of Financial Position
at 30 June 2013
cont'd

		The Group			The Company		
		30.6.2013	30.6.2012	1.7.2011	30.6.2013	30.6.2012	1.7.2011
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT LIABILITIES							
Long-term borrowings	21	8,155	7,573	6,775	2,139	3,410	5,620
Deferred tax liabilities	24	678	699	699	678	678	678
		8,833	8,272	7,474	2,817	4,088	6,298
CURRENT LIABILITIES							
Trade payables	25	15,795	7,660	3,105	6,761	275	2,950
Other payables and accruals		3,211	3,974	895	2,752	3,731	693
Amount owing to subsidiaries	14	-	-	-	388	6,666	-
Deferred revenue	26	10,620	7,200	3,860	-	-	-
Dividend payable		-	-	3,003	-	-	3,003
Provision for taxation		53	130	1	40	130	-
Short-term borrowings	27	3,957	4,065	3,772	1,506	2,509	3,487
		33,636	23,029	14,636	11,447	13,311	10,133
TOTAL LIABILITIES		42,469	31,301	22,110	14,264	17,399	16,431
TOTAL EQUITY AND LIABILITIES		182,111	149,969	122,076	117,732	106,889	114,020
Net assets per share (sen)	28	23.63	19.86	16.64			

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 2013

	Note	The Group		The Company	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
REVENUE	29	76,484	66,924	49,039	27,535
COST OF SALES	29	(10,473)	(9,304)	(3,115)	(3,420)
GROSS PROFIT		66,011	57,620	45,924	24,115
OTHER INCOME		57	32	53	29
		66,068	57,652	45,977	24,144
ADMINISTRATIVE EXPENSES		(19,654)	(20,500)	(12,416)	(16,511)
OTHER EXPENSES		(11,226)	(8,717)	(5,215)	(6,388)
FINANCE COSTS		(797)	(825)	(332)	(542)
PROFIT BEFORE TAXATION	30	34,391	27,610	28,014	703
INCOME TAX EXPENSE	31	458	(266)	(158)	(160)
PROFIT AFTER TAXATION		34,849	27,344	27,856	543
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		34,849	27,344	27,856	543
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		34,849	27,344	27,856	543
Non-controlling interest		#	-	-	-
		34,849	27,344	27,856	543
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		34,849	27,344	27,856	543
Non-controlling interest		#	-	-	-
		34,849	27,344	27,856	543
EARNINGS PER SHARE (SEN)					
- Basic	32	5.9	4.6		
- 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 2013

		Non-Distributable		Distributable			
The Group	Note	Share Capital RM'000	Treasury Shares RM'000	Retained Profits RM'000	Attributable to Owners of The Company RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Balance at 1.7.2011		60,105	(158)	40,019	99,966	-	99,966
Profit after taxation/Total comprehensive income for the financial year		-	-	27,344	27,344	-	27,344
Contributions by and distributions to owners of the Company:							
- Purchase of treasury shares	19	-	(2,048)	-	(2,048)	-	(2,048)
- Dividends	33	-	-	(6,594)	(6,594)	-	(6,594)
Balance at 30.6.2012/1.7.2012		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)
Balance at 30.6.2013		60,105	(7,766)	87,300	139,639	3	139,642

\# - *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 2013
cont'd

		Non-Distributable		Distributable	
		Share Capital	Treasury Shares	Retained Profits	Total Equity
The Company	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance at 1.7.2011		60,105	(158)	37,642	97,589
Profit after taxation/Total comprehensive income for the financial year		-	-	543	543
Contributions by and distributions to owners of the Company:					
- Purchase of treasury shares	19	-	(2,048)	-	(2,048)
- Dividends	33	-	-	(6,594)	(6,594)
Balance at 30.6.2012/1.7.2012		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)
Balance at 30.6.2013		60,105	(7,766)	51,129	103,468

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

Statements of Cash Flows

for the Financial Year Ended 30 June 2013

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		34,391	27,610	28,014	703
Adjustments for:-					
Impairment losses on trade receivables		24	-	-	-
Amortisation of development costs		1,390	887	746	521
Depreciation of equipment		9,812	7,846	4,469	5,864
Interest expense		797	825	332	542
Dividend income		-	-	(27,750)	-
(Gain)/Loss on disposal of equipment		(4)	3	-	3
Interest income		(53)	(32)	(53)	(29)
Operating profit before working capital changes		46,357	37,139	5,758	7,604
(Increase)/Decrease in trade and other receivables		(769)	(7,122)	975	1,241
Increase in trade and other payables		7,372	7,634	5,507	363
Increase in deferred revenue		3,420	3,340	-	-
Increase in amount owing by subsidiaries		-	-	-	(300)
Increase in amount owing by an associate		(10,950)	(14,150)	(9,500)	(14,150)
CASH FLOWS FROM/(FOR) OPERATIONS		45,430	26,841	2,740	(5,242)
Interest paid		(797)	(825)	(332)	(542)
Income tax paid		(356)	(116)	(248)	(21)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		44,277	25,900	2,160	(5,805)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Net repayment from subsidiaries		-	-	30,927	9,918
(Advances to)/Repayment from associates		(7,366)	3,716	(7,366)	3,716
Interest received		53	32	53	29
Purchase of equipment	34	(9,800)	(12,449)	(1,309)	(2,165)
Proceeds from disposal of equipment		474	5,001	43	5,001
Purchase of other investments		(1,384)	(350)	-	-
Subscription of shares in a subsidiary by non-controlling interest		3	-	-	-
Development costs paid		(910)	(1,539)	-	(411)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(18,930)	(5,589)	22,348	16,088
BALANCE CARRIED FORWARD		25,347	20,311	24,508	10,283

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

Statements of Cash Flows
for the Financial Year Ended 30 June 2013
cont'd

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
BALANCE BROUGHT FORWARD		25,347	20,311	24,508	10,283
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid		(8,318)	(9,597)	(8,318)	(9,597)
Drawdown of term loans		1,400	-	-	-
Purchase of treasury shares		(5,560)	(2,048)	(5,560)	(2,048)
Repayment of hire purchase and finance lease obligations		(2,401)	(2,341)	(373)	(1,351)
Repayment of term loans		(1,901)	(1,837)	(1,901)	(1,837)
Advances from subsidiaries		-	-	150	6,666
NET CASH FOR FINANCING ACTIVITIES		(16,780)	(15,823)	(16,002)	(8,167)
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,567	4,488	8,506	2,116
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		9,822	5,334	6,976	4,860
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35	18,389	9,822	15,482	6,976

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

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013

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 24 October 2013.

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 These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). There were no material financial impacts on the transition from FRSs to MFRSs.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
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:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 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 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

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

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 impacts on the financial statements of the Group upon its initial application.

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:- *cont'd*

MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There will be no financial impact on the financial statements of the Group upon its initial application.

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 the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There will be no financial impact on the financial statements of the Group upon its initial application.

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.

The amendments to MFRS 136 remove the requirement to disclosure 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.

The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
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 4.18 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.

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.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

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 2013
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. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent 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) Acquisitions of Non-controlling Interests

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 and attributed to owners of the parent.

(d) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal 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 (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. 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 jointly controlled entity.

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition (1 July 2011). Such business combinations and the related goodwill and fair value adjustments have been carried forward from the previous FRS framework as at the date of transition.

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. 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 plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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

(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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.5 Financial Instruments *cont'd*

(a) Financial Assets *cont'd*

(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.

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.5 Financial Instruments *cont'd*

(b) Financial Liabilities

All financial liabilities are initially 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.

(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.

(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.

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.

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 2013
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 of the associate is included in the consolidated statement of comprehensive income and 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.

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.

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

4.8 Equipment

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

Depreciation is calculated under 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.

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. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.9 Development Costs

Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the asset under development;
(ii) the product or process is technically and commercially feasible;
(iii) its future economic benefits are profitable;
(iv) its ability to use or sell the developed asset;
(v) the availability of adequate technical, financial and other resources to complete the asset under development; and
(vi) its intention to complete the asset under development and use or sell it.

Development costs that have been capitalised are amortised from the commencement of the commercial service of the product to which they relate on a straight-line basis over the period of their expected benefits but not exceeding 20 years.

Development expenditure that does not meet the above criteria is recognised as an expense when incurred.

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 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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.10 Impairment *cont'd*

(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.

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.

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. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 year 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.

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, deposits pledged with financial institutions, 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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.15 Employee Benefits

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits 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.

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 and construction of property, plant and equipment 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. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.18 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.

4.19 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.

4.20 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.

4.21 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 2013
cont'd

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2013	2012
	RM'000	RM'000
Unquoted shares, at cost:-		
At 1 July	13,196	13,196
Addition during the financial year	-	#
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
		2013	2012	
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.
Ipidato Sdn. Bhd. ("ISB") ^	Malaysia	100%	100%	Developing and organising online debate networks and related activities.
Ipidato Dot Com Sdn Bhd ("Ipidato DC") * ~	Malaysia	70%	-	Administering and organising online debating championship and related services.

^ - *held through MYEGC.*
* - *held through ISB.*
\# - *represents an amount less than RM1,000.*
~ - *The unaudited financial statements of the subsidiary were used in the preparation of the consolidated financial statements.*

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2013	2012	2013	2012
	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
		2013	2012	
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.*

The Group recognised its share of losses in the associate, up to the amount of investment in MINT at the end of the reporting period. The share of losses in excess of the investment in MINT which has not been recognised amounted to approximately RM7,844,000 (2012 - RM4,508,000). The Group will recognise this share of losses when the Group has the obligation to invest additional capital in the associate in the future.

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

	2013	2012
	RM'000	RM'000
Assets and Liabilities		
Total assets	30,750	22,803
Total liabilities	51,359	35,071
Results		
Revenue	-	-
Loss for the financial year	(8,340)	(7,214)

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

7. EQUIPMENT

The Group	At 1.7.2012 RM'000	Additions RM'000	Disposals RM'000	Depreciation Charge RM'000	At 30.6.2013 RM'000
Net Book Value					
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 1.7.2011 RM'000	Additions RM'000	Disposals RM'000	Depreciation Charge RM'000	At 30.6.2012 RM'000
Net Book Value					
Motor vehicles	1,774	-	-	(461)	1,313
Office and communication equipment	59,737	16,026	(5,000)	(5,776)	64,987
Office furniture and renovation	6,011	393	-	(777)	5,627
Computers	2,226	913	(4)	(803)	2,332
Software	21	386	-	(29)	378
	69,769	17,718	(5,004)	(7,846)	74,637

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

7. EQUIPMENT *cont'd*

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
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
At 30.6.2012			
Motor vehicles	2,413	(1,100)	1,313
Office and communication equipment	81,106	(16,119)	64,987
Office furniture and renovation	8,162	(2,535)	5,627
Computers	8,589	(6,257)	2,332
Software	447	(69)	378
	100,717	(26,080)	74,637

The Company	At 1.7.2012 RM'000	Additions RM'000	Disposal RM'000	Transfer to a Subsidiary RM'000	Depreciation Charge RM'000	At 30.6.2013 RM'000
Net Book Value						
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 2013
cont'd

7. EQUIPMENT *cont'd*

The Company	At 1.7.2011 RM'000	Additions RM'000	Disposal RM'000	Transfer to a Subsidiary RM'000	Depreciation Charge RM'000	At 30.6.2012 RM'000
Net Book Value						
Motor vehicles	255	-	-	-	(86)	169
Office and communication equipment	52,454	1,156	(5,000)	-	(4,672)	43,938
Office furniture and renovation	4,022	110	-	(819)	(447)	2,866
Computers	1,696	866	(4)	-	(648)	1,910
Software	21	33	-	-	(11)	43
	58,448	2,165	(5,004)	(819)	(5,864)	48,926

The Company	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
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
	41,619	(15,890)	25,729
At 30.6.2012			
Motor vehicles	540	(371)	169
Office and communication equipment	58,255	(14,317)	43,938
Office furniture and renovation	4,723	(1,857)	2,866
Computers	6,757	(4,847)	1,910
Software	94	(51)	43
	70,369	(21,443)	48,926

7. EQUIPMENT *cont'd*

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

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	734	1,128	#	34
Office and communication equipment	8,631	8,435	-	3,165
Renovation	766	1,243	-	381
	10,131	10,806	#	3,580

- *represents an amount less than RM1,000.*

8. OTHER INVESTMENTS

	The Group	
	2013	2012
	RM'000	RM'000
Unquoted shares in Malaysia, at cost:-		
At 1 July	350	-
Addition during the financial year	1,384	350
At 30 June	1,734	350

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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

9. DEVELOPMENT COSTS

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
At cost:-				
At 1 July	19,813	18,274	10,267	12,767
Addition during the financial year	910	1,539	-	411
Transfer to:				
- subsidiary	-	-	-	(2,911)
At 30 June	20,723	19,813	10,267	10,267
Accumulated amortisation:-				
At 1 July	(8,659)	(7,772)	(2,364)	(3,345)
Amortisation during the financial year	(1,390)	(887)	(746)	(521)
Transfer to a subsidiary	-	-	-	1,502
At 30 June	(10,049)	(8,659)	(3,110)	(2,364)
	10,674	11,154	7,157	7,903

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		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Staff costs	521	891	-	201

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	
	2013	2012
	RM'000	RM'000
Software solutions and other insurance-related services	2,594	2,594
E-business activities	9,422	9,422
	12,016	12,016

10. GOODWILL ON CONSOLIDATION *cont'd*

During the financial year, the Group assessed the recoverable amount of goodwill in relation to each cash-generating unit, and determined that goodwill is not impaired.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculated using cash flow projections based on financial budgets approved by management covering a period of five (5) years. The key assumptions used for value-in-use calculations are:-

	Gross Margin		Growth Rate		Discount Rate	
	2013	2012	2013	2012	2013	2012
Software solutions and other insurance-related services	70%	88%	3%	5%	14.2%	10.9%
E-business activities	90%	91%	5%	5%	14.2%	10.9%

(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.

11. DEFERRED TAX ASSET

	The Group	
	2013	2012
	RM'000	RM'000
At 1 July	-	-
Recognised in profit or loss (Note 31)	710	-
At 30 June	710	-

The deferred tax asset is in respect of 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 2013
cont'd

12. TRADE RECEIVABLES

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Trade receivables	13,576	12,072	1,950	3,618
Allowance for impairment losses	(24)	(#)	-	-
	13,552	12,072	1,950	3,618
Allowance for impairment losses:-				
At 1 July	(#)	(#)	-	-
Addition during the financial year	(24)	-	-	-
At 30 June	(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.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Other receivables	6,632	5,559	4,488	3,834
Deposits	974	921	789	733
Prepayments	5,240	7,101	2,901	2,918
	12,846	13,581	8,178	7,485

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

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Advance payments for:				
Purchase of equipment	3,949	6,250	2,750	2,750
Performance bond placed with gateway provider	5,135	4,678	3,408	3,382

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2013	2012
	RM'000	RM'000
Amount owing by:		
- trade	960	960
- non-trade	11,508	1,119
	12,468	2,079
Amount owing to:		
- non-trade	(388)	(6,666)

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.

15. AMOUNT OWING BY AN ASSOCIATE

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Amount owing by:				
- trade	30,150	19,200	28,700	19,200
- non-trade	4,472	(2,894)	4,472	(2,894)
	34,622	16,306	33,172	16,306

The trade amount relates to the development work on the online service tax monitoring project and is repayable upon the associate receiving payments from its customers. Based on the current development and other available information on the project, the directors are confident that the project will be completed and implemented as planned. Accordingly, the directors are of the opinion that 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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

16. FIXED DEPOSITS WITH LICENSED BANKS

(a) 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 2.99% (2012 - 2.55%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2012 - 1 to 12) months.

(b) Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period were amounts of RM7,159,000 and RM5,566,000 (2012 - RM6,576,000 and RM5,553,000) respectively which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company.

(c) As at 30 June 2013, the fixed deposits of the Group and the Company amounting to RM466,000 and RM433,000 respectively (2012 - RM366,000 and RM333,000) were held in trust by a director.

17. CASH AND BANK BALANCES

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

	The Group/The Company	
	2013	2012
	RM'000	RM'000
Short-term cash investments	6,678	136

The short-term cash investments at the end of the reporting period bore effective interest rates ranging from 1.99% to 2.82% (2012 - 2.13% to 2.98%) per annum. The short-term cash investments have maturity period of 30 days (2012 - 30 days).

18. SHARE CAPITAL

	The Company			
	2013		2012	
	Number of Shares	Share Capital	Number of Shares	Share Capital
	'000	RM'000	'000	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			
	2013		2012	
	Number of Shares '000	Treasury Share RM'000	Number of Shares '000	Treasury Share RM'000
At 1 July	3,609	2,206	372	158
Buy back	6,490	5,560	3,237	2,048
At 30 June	10,099	7,766	3,609	2,206

During the financial year, the Company purchased 6,490,200 of its issued ordinary shares from the open market at a price of RM0.86 per share. The total consideration paid for the purchase was RM5,560,000 including transaction costs. The shares purchased are 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, 10,098,600 (2012 - 3,608,400) 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

Subject to agreement with the tax authorities, at the end of the reporting period, the Company has tax-exempt income of approximately RM25,461,000 (2012 – RM33,779,000) available for the purpose of paying tax-exempt dividends.

At the end of the reporting period, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

21. LONG-TERM BORROWINGS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Hire purchase and finance lease payables (Note 22)	4,616	4,188	-	25
Term loans (Note 23)	3,539	3,385	2,139	3,385
	8,155	7,573	2,139	3,410

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

22. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Minimum hire purchase and finance lease payments:				
- not later than one year	2,857	2,218	25	387
- later than one year and not later than five years	4,902	4,487	-	25
	7,759	6,705	25	412
Less: Future finance charges	(667)	(588)	#	(14)
Present value of hire purchase and finance lease payables	7,092	6,117	25	398
Non-current portion (Note 21):				
- later than one year and not later than five years	4,616	4,188	-	25
Current portion (Note 27):				
- not later than one year	2,476	1,929	25	373
	7,092	6,117	25	398

- *represents an amount less than RM1,000.*

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	
	2013	2012	2013	2012
Interest rate	6.47%	6.58%	4.58%	6.47%

23. TERM LOANS

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Non-current portion (Note 21):				
- later than one year but not later than two years	2,472	1,655	1,072	1,655
- later than two years but not later than five years	1,067	1,730	1,067	1,730
	3,539	3,385	2,139	3,385
Current portion (Note 27):				
- not later than one year	1,481	2,136	1,481	2,136
	5,020	5,521	3,620	5,521

Details of the term loans are as follows:-

	Number of Monthly Instalments	Monthly Instalment RM'000	Date of Commencement of Repayment
Term loan 1	75	64	October 2007
Term loan 2	75	16	October 2007
Term loan 3	60	98	May 2011
Term loan 4	48	146	July 2014

The term loans bore a weighted average effective interest rate of 7.18% (2012 - 7.02%) per annum at the end of the reporting and are secured by:-

(i) a pledge of certain fixed deposits of the Company;

(ii) a pledge of 9,250,000 ordinary shares of EGSB; and

(iii) a corporate guarantee of the Company.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

24. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
At 1 July	699	699	678	678
Recognised in profit or loss (Note 31)	(21)	-	-	-
At 30 June	678	699	678	678

The deferred tax liabilities are attributable to the following:-

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Accelerated capital allowances over depreciation	678	139	678	118
Development costs	-	560	-	560
	678	699	678	678

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

	The Group	
	2013	2012
	RM'000	RM'000
Accelerated capital allowances	9,185	7,020
Development costs	2,370	2,665
	11,555	9,685

The directors are of the opinion that the deferred tax liabilities will not crystalise 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 range from cash term to 90 days.

26. DEFERRED REVENUE

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

27. SHORT-TERM BORROWINGS

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Hire purchase and finance lease payables (Note 22)	2,476	1,929	25	373
Term loans (Note 23)	1,481	2,136	1,481	2,136
	3,957	4,065	1,506	2,509

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 RM139,642,000 (2012 – RM118,668,000) divided by the number of ordinary shares in issue of 590,952,000 (2012 - 597,442,000) 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.

		Cost of Sales		
The Group	Revenue RM'000 (Note 38)	Direct RM'000	Indirect RM'000	Gross Profit RM'000
2013				
Electronic Government services and related services	65,994	(5,689)	#	*
Enterprise solutions	10,490	-	#	*
	76,484	(5,689)	(4,784)	66,011
2012				
Electronic Government services and related services	56,834	(3,168)	#	*
Enterprise solutions	10,090	-	#	*
	66,924	(3,168)	(6,136)	57,620

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.*

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

29. REVENUE AND COST OF SALES *cont'd*

The Company	Revenue RM'000 (Note 38)	Cost of Sales: Direct RM'000	Cost of Sales: Indirect RM'000	Gross Profit RM'000
2013				
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
2012				
Electronic Government services and related services	14,525	(1,088)	#	*
Enterprise solutions	13,010	-	#	*
	27,535	(1,088)	(2,332)	24,115

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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Allowance for impairment losses on trade receivables	24	-	-	-
Amortisation of development costs	1,390	887	746	521
Audit fee:				
- for the current financial year	107	84	43	60
- (over)/underprovision in the previous financial year	(4)	15	(25)	8
Directors' fee	586	496	586	496
Directors' non-fee emoluments	-	16	-	16
Depreciation of equipment	9,812	7,846	4,469	5,864
Interest expense:				
- hire purchase and finance lease	479	88	14	88
- term loans	318	737	318	454
Preliminary expenses	1	5	-	-
Rental expense:				
- equipment	21	8	-	-
- parking	43	38	38	36
- premises	2,096	2,094	1,127	1,076
Staff costs:				
- salaries, wages, bonuses, incentive and allowances	11,099	8,695	5,337	4,502
- defined contribution plan	1,359	1,000	629	519
- other benefits	659	699	463	460
Dividend income from a subsidiary	-	-	(27,750)	-
(Gain)/Loss on disposal of equipment	(4)	3	-	3
Interest income	(53)	(32)	(53)	(29)

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

31. INCOME TAX EXPENSE

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the current financial year	293	263	184	160
- (over)/underprovision in the previous financial year	(20)	3	(26)	#
	273	266	158	160
Deferred tax asset (Note 11):				
- for the current financial year	(710)	-	-	-
Deferred tax liabilities (Note 24):				
- for the current financial year	(9)	-	-	-
- overprovision in the previous financial year	(12)	-	-	-
	(21)	-	-	-
	(458)	266	158	160

\# - *represents an amount less than RM1,000.*

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.

31. INCOME TAX EXPENSE *cont'd*

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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	34,391	27,610	28,014	703
Tax at the applicable statutory tax rate of 25%	8,598	6,903	7,003	176
Tax effects of:-				
Non-taxable income	-	-	(6,938)	-
Tax exempted income	(9,489)	(6,354)	(8)	(619)
Non-deductible expenses	847	795	127	406
Deferred tax liabilities not recognised due to pioneer status	(468)	(1,273)	-	-
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	-	197	-	197
(Over)/Underprovision in the previous financial year:				
- current taxation	(20)	3	(26)	#
- deferred taxation	(12)	-	-	-
Others	-	(5)	-	-
	(458)	266	158	160

- *represents an amount less than RM1,000.*

32. EARNINGS PER SHARE

Basic earnings per share is arrived at by dividing the Group's profit attributable to owners of the Company of RM34,849,000 (2012 - RM27,344,000) by the following weighted average number of ordinary shares in issue during the financial year excluding treasury shares held by the Company.

	The Group	
	2013	2012
	'000	'000
Weighted average number of shares at 31 July:		
- issued ordinary shares	601,051	601,051
- treasury shares held	(3,609)	(372)
	597,442	600,679
Effect of share buy-back	(2,789)	(1,031)
Weighted average number of shares at 30 June	594,653	599,648
Basic earnings per share (sen)	5.9	4.6

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

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
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33. DIVIDENDS

	The Group/The Company	
	2013	2012
	RM'000	RM'000
In respect of the financial year ended 30 June 2011:		
- a final tax-exempt dividend of 0.60 sen per ordinary share	-	3,600
In respect of the financial year ended 30 June 2012:		
- a first interim tax-exempt dividend of 0.50 sen per ordinary share	-	2,994
- 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	-
	8,318	6,594

The directors propose the payment of a final tax-exempt dividend of 1.30 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.

34. PURCHASE OF EQUIPMENT

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Cost of equipment purchased	13,176	17,718	1,309	2,165
Amount financed through hire purchase and finance lease	(3,376)	(5,269)	-	-
Cash disbursed for purchase of equipment	9,800	12,449	1,309	2,165

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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks (Note 16)	7,619	6,935	6,026	5,912
Cash and bank balances (Note 17)	10,770	2,887	9,456	1,064
	18,389	9,822	15,482	6,976

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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
- fees	442	376	442	376
- non-fee emoluments	-	16	-	16
	442	392	442	392
Non-Executive directors:				
- fees	144	120	144	120
	586	512	586	512

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	
	2013	2012
Executive directors:-		
RM100,001 – RM150,000	2	3
RM150,001 – RM200,000	1	-
Non-Executive directors:-		
RM50,001 – RM100,000	2	2
	5	5

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

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.

(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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Sales to:				
A subsidiary				
MECSB	-	-	960	960
An associate				
MINT	7,530	7,410	9,500	10,750
Dividend income from a subsidiary				
EGSB	-	-	27,750	-
Equipment transfer to a subsidiary				
EGSB	-	-	19,994	819
Equipment disposed of to an associate				
MINT	-	5,000	-	5,000
Development costs transfer to a subsidiary:				
EGSB	-	-	-	1,409
Professional fees charged by a related party:				
Embunaz Ventures Sdn. Bhd. *	192	192	192	192
Key management personnel compensation:				
Short-term employee benefits	889	802	889	787

* 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	
	2013	2012
	RM'000	RM'000
Electronic Government services and related services (Note 29)	65,994	56,834
Enterprise solutions (Note 29)	10,490	10,090
Total revenue	76,484	66,924

Geographical information

The Group operates in Malaysia only.

Major customers

Revenue from two major customers, which accounted for more than 10% of the Group's annual revenue, amounted RM6,622,000 (2012 - RM4,852,000) and RM7,530,000 (2012 - RM10,010,000) for sales generated under Electronic Government service and related services and enterprise solutions respectively.

39. COMMITMENTS

(a) Capital commitments

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Purchase of equipment:				
- approved and contracted for	402	1,302	-	-
- approved but not contracted for	10,750	-	2,750	-

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

39. COMMITMENTS *cont'd*

(b) Operating lease commitments

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

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Not later than one year	1,321	1,092	955	686
Later than one year but not later than five years	591	444	524	228
	1,912	1,536	1,479	914

40. CONTINGENT LIABILITY

	The Company	
	2013	2012
	RM'000	RM'000
Corporate guarantee 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

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.

41. FINANCIAL INSTRUMENTS *cont'd*

41.1 Financial Risk Management Policies *cont'd*

(a) Market Risk *cont'd*

(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 following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2013	2012	2013	2012
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000	RM'000	RM'000
Effects on profit after taxation				
Increase of 100 basis points (bp)	19	11	18	3
Decrease of 100 bp	(19)	(11)	(18)	(3)
Effects on equity				
Increase of 100 bp	19	11	18	3
Decrease of 100 bp	(19)	(11)	(18)	(3)

(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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

41. FINANCIAL INSTRUMENTS *cont'd*

41.1 Financial Risk Management Policies *cont'd*

(b) Credit Risk *cont'd*

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.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by an associate, two (2) major customers and a payment service provider which constituted approximately 94% 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:-

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2013				
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)	-	-
	43,726	(24)	-	43,702

41. FINANCIAL INSTRUMENTS *cont'd*

41.1 Financial Risk Management Policies *cont'd*

(b) Credit Risk *cont'd*

(iii) Ageing analysis cont'd

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2012				
Not past due	6,595	-	-	6,595
Past due:				
- less than 3 months	1,288	-	-	1,288
- 3 to 6 months	2,914	-	-	2,914
- over 6 months	20,475	-	(#)	20,475
	31,272	-	(#)	31,272

(#) - *represents an amount less than RM1,000.*

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

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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

41. FINANCIAL INSTRUMENTS *cont'd*

41.1 Financial Risk Management Policies *cont'd*

(c) Liquidity Risk cont'd

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, 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
2013						
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	-
2012						
Hire purchase and finance lease payables	6.58	6,117	6,705	2,218	4,487	-
Term loans	7.02	5,521	6,144	2,448	3,696	-
Trade payables	-	7,660	7,660	7,660	-	-
Other payables and accruals	-	3,974	3,974	3,974	-	-
		23,272	24,483	16,300	8,183	-

41. FINANCIAL INSTRUMENTS *cont'd*

41.1 Financial Risk Management Policies *cont'd*

(c) Liquidity Risk *cont'd*

The Company	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
2013						
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	-
2012						
Hire purchase and finance lease payables	6.47	398	412	387	25	-
Term loans	7.02	5,521	6,144	2,448	3,696	-
Trade payables	-	275	275	275	-	-
Other payables and accruals	-	3,731	3,731	3,731	-	-
Amount owing to subsidiaries	-	6,666	6,666	6,666	-	-
		16,591	17,228	13,507	3,721	-

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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

41. FINANCIAL INSTRUMENTS *cont'd*

41.2 Capital Risk Management *cont'd*

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 cash and cash equivalents.

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	
	2013	**2012**
	RM'000	**RM'000**
Hire purchase and finance lease payables	7,092	6,117
Term loans	5,020	5,521
Trade payables	15,795	7,660
Other payables and accruals	3,211	3,974
	31,118	23,272
Less: Fixed deposits with licensed banks	(7,619)	(6,935)
Less: Cash and bank balances	(10,770)	(2,887)
Net debt	12,729	13,450
Total equity	139,642	118,668
Debt-to-equity ratio	0.09	0.11

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.

41. FINANCIAL INSTRUMENTS *cont'd*

41.3 Classification of Financial Instruments

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Available-for-sale financial assets				
Other investment	1,734	350	-	-
Loans and receivables financial assets				
Trade receivables	13,552	12,072	1,950	3,618
Other receivables and deposits	7,606	6,480	5,277	4,567
Amount owing by subsidiaries	-	-	12,468	2,079
Amount owing by an associate	34,622	16,306	33,172	16,306
Fixed deposits with licensed banks	7,619	6,935	6,026	5,912
Cash and bank balances	10,770	2,887	9,456	1,064
	74,169	44,680	68,349	33,546
Financial liability				
Other financial liabilities				
Hire purchase and finance lease payables	7,092	6,117	25	398
Term loans	5,020	5,521	3,620	5,521
Trade payables	15,795	7,660	6,761	275
Other payables and accruals	3,211	3,974	2,752	3,731
Amount owing to subsidiaries	-	-	388	6,666
	31,118	23,272	13,546	16,591

41.4 Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

(a) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(b) The fair values of hire purchase and lease payable and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

41. FINANCIAL INSTRUMENTS *cont'd*

41.5 Fair Value Hierarchy

At the end of the reporting period, there were no financial instruments carried at fair values.

42. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 18 April 2013, a subsidiary, ISB acquired 7,000 ordinary shares of RM1 each representing 70% issued and paid-up capital of Ipidato DC for a total cash consideration of RM7,000.

43. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(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 seeks 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.

44. COMPARATIVE FIGURES

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

	As Restated RM'000	As Previously Reported RM'000
Consolidated Statement of Cash Flows (Extract):-		
Net cash from operating activities	25,900	29,300
Net cash for investing activities	(5,589)	(8,989)
Statement of Cash Flows (Extract):-		
Net cash for operating activities	(5,805)	(2,405)
Net cash from investing activities	16,088	12,688

Notes to the Financial Statements
for the Financial Year Ended 30 June 2013
cont'd

45. 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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Total retained profits:				
- realised	89,868	60,647	51,807	32,269
- unrealised	32	(699)	(678)	(678)
	89,900	59,948	51,129	31,591
Total share of accumulated losses of associate:				
- realised	(400)	(400)	-	-
- unrealised	-	-	-	-
	89,500	59,548	51,129	31,591
Less: Consolidations adjustment	(2,200)	1,221	-	-
At 30 June	87,300	60,769	51,129	31,591

List of Properties
as at 30 June 2013

The Company does not own any properties as at 30 June 2013.

Analysis of Shareholdings
as at 31 October 2013

Authorised Share Capital	: RM100,000,000.00
Issued and Paid-Up Capital	: RM59,025,460.00 (excluding 10,796,400 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	: 3,425

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%#	No. of Shares	%#
Less than 100	45	1.31	1,497	0.00
100 to 1,000	962	28.09	452,275	0.08
1,001 to 10,000	1,632	47.65	8,414,140	1.43
10,001 to 100,000	580	16.93	18,873,185	3.20
100,001 – less than 5% of issued shares	201	5.87	333,175,103	56.44
5% and above issued shares	5	0.15	229,338,400	38.85
Total	3,425	100.00	590,254,600	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

	No. of Shares Held			
Names of Substantial Shareholders	Direct Interest	% #	Indirect Interest	% #
Wong Thean Soon	50,426,006	8.54	189,657,998 [1]	32.13
Dato' Raja Haji Munir Shah Bin Raja Mustapha	409,900	0.07	189,657,998 [1]	32.13
Asia Internet Holdings Sdn Bhd	179,995,999	30.49	-	-
Utilico Emerging Markets Limited	50,925,200 [2]	8.63	-	-
Edisi Firma Sdn Bhd	36,925,140	6.26	-	-
Mawer Investment Management Limited	31,982,200	5.42	-	-
Ban Swan Gek	264,000	0.04	36,925,140 [3]	6.26

Notes:

 # Excluding a total of 10,796,400 ordinary shares of RM0.10 each bought-back by the Company and retained as treasury shares

1 Deemed interested by virtue of their substantial shareholdings in Asia Internet Holdings Sdn Bhd and Asia Internet E-Services Holdings Sdn Bhd

2 Shares through the HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (Bermuda)

3 Deemed interested by virtue of her substantial shareholdings in Edisi Firma Sdn Bhd

Analysis of Shareholdings
as at 31 October 2013
cont'd

DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares Held			
	Direct Interest	% #	Indirect Interest	% #
Dato' Dr Norraesah Binti Haji Mohamad	6,960,000	1.18	-	-
Wong Thean Soon	50,426,006	8.54	189,657,998 [1]	32.13
Dato' Raja Haji Munir Shah Bin Raja Mustapha	409,900	0.07	189,657,998 [1]	32.13
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	2,503,000	0.42	1,700,000 [2]	0.29
Datuk Mohd Jimmy Wong Bin Abdullah	552,000	0.09	-	-
Ng Fook Ai, Victor	-	-	-	-
Dato' Shamsul Anuar Bin Haji Nasarah *(Appointed with effect from 1 November 2013)*	-	-	-	-

Notes:
Excluding a total of 10,796,400 ordinary shares of RM0.10 each bought-back by the Company and retained as treasury shares
1 Deemed interested by virtue of their substantial shareholdings in Asia Internet Holdings Sdn Bhd and Asia Internet E-Services Holdings Sdn Bhd
2 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.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn Bhd*	72,030,000	12.203
2.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (Bermuda)*	51,425,200	8.712
3.	HSBC Nominees (Tempatan) Sdn Bhd *Exempt An for Credit Suisse (SG BR-TST-TEMP)*	44,000,000	7.454
4.	Cartaban Nominees (Asing) Sdn Bhd *Exempt An for RBC Investor Services Trust (Clients Account)*	31,982,200	5.418
5.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn Bhd (MGN-AIH0001M)*	29,901,000	5.065
6.	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Edisi Firma Sdn Bhd (MG0065-195)*	26,925,140	4.561
7.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Thean Soon*	23,048,000	3.904
8.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Thean Soon (8080812)*	20,000,000	3.388
9.	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn. Bhd. (MG0168-195)*	15,752,000	2.668
10.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for The Bank of New York Mellon (MELLON ACCT)*	14,724,100	2.494

Analysis of Shareholdings
as at 31 October 2013
cont'd

TOP THIRTY (30) SHAREHOLDERS *cont'd*

No.	Names	No. of Shares	%#
11.	Edisi Firma Sdn. Bhd.	10,000,000	1.694
12.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Asia Internet Holdings Sdn Bhd (MY0409)*	9,845,000	1.667
13.	Asia Internet E-Services Holdings Sdn. Bhd.	9,661,999	1.636
14.	Jason Chan Ling Khee	9,637,599	1.632
15.	Cartaban Nominees (Asing) Sdn Bhd *BBH (LUX) SCA for Fidelity Funds Asean*	9,188,200	1.556
16.	Cartaban Nominees (Asing) Sdn Bhd *Wellington Trust Company, National Association Multiple Common Trust Funds Trust Emerging Markets Local Equity Portfolio*	8,534,000	1.445
17.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (NORGES BK LEND)*	8,361,800	1.416
18.	Kumpulan Wang Persaraan (Diperbadankan)	8,100,000	1.372
19.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Wong Thean Soon (MY0691)*	7,200,000	1.219
20.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn. Bhd.*	6,600,000	1.118
21.	RHB Nominees (Asing) Sdn Bhd *London Asia Capital Ltd*	6,600,000	1.118
22.	AmanahRaya Trustees Berhad *Public Islamic Opportunities Fund*	6,549,600	1.109
23.	Cartaban Nominees (Tempatan) Sdn Bhd *Exempt An for EastSpring Investments Berhad*	6,539,900	1.107
24.	Norraesah Binti Mohamad	6,520,000	1.104
25.	DB (Malaysia) Nominee (Asing) Sdn Bhd *SSBT Fund W4B0 for Wasatch International Opportunities Fund*	4,649,000	0.787
26.	EG Industries Berhad	4,380,600	0.742
27.	CitiGroup Nominees (Asing) Sdn Bhd *CIPLC for Manulife Global Fund-Asian Small Cap Equity Fund*	4,000,000	0.677
28.	HSBC Nominees (Asing) Sdn Bhd *TNTC for Ashmoreemm Global Small Capitalization Fund*	3,958,800	0.670
29.	Cartaban Nominees (Asing) Sdn Bhd *State Street London Fund YW85 for Emerging Markets Local Equity Portfolio*	3,387,600	0.573
30.	Then Pei Kee	3,325,000	0.563

Notice of the Thirteenth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of MY E.G. SERVICES BERHAD will be held at Function Room 1 to Room 2, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Thursday, 19 December 2013 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 2013 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note A***

2. To approve a final tax-exempt dividend of 1.3 sen per ordinary share in respect of the financial year ended 30 June 2013. ***Ordinary Resolution 1***

3. To re-elect Dato' Shamsul Anuar Bin Haji Nasarah retiring pursuant to Article 74 of the Articles of Association of the Company. ***Ordinary Resolution 2***

4. To re-elect the following Directors retiring pursuant to Article 69 of the Articles of Association of the Company:

   4.1 Dato' Raja Haji Munir Shah Bin Raja Mustapha ***Ordinary Resolution 3***
   4.2 Ng Fook Ai, Victor ***Ordinary Resolution 4***

5. To approve the payment of Directors' fees for the financial year ended 30 June 2013. ***Ordinary Resolution 5***

6. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 6***

AS SPECIAL BUSINESS

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

7. **AUTHORITY TO ALLOT AND ISSUE SHARES BY DIRECTORS PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** ***Ordinary Resolution 7***

   "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 Thirteenth Annual General Meeting
cont'd

8. **PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY** ***Ordinary Resolution 8***

"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 2013, the audited retained profits of the Company were approximately RM51.129 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

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."

9. To transact any other business that may be transacted at the annual general meeting 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 1.3 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2013, if approved by the shareholders at the Thirteenth Annual General Meeting, will be paid on 24 January 2014 to Depositors whose names appear in Record of Depositors at the close of business on 7 January 2014.

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 7 January 2014 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
27 November 2013

Notice of the Thirteenth Annual General Meeting
cont'd

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 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.

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 specifies the proportion of his shareholdings to be represented by each proxy.

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 adjournment thereof.

7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 9 December 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

8. Explanatory Notes on Special Business

Ordinary Resolution 7
Authority to Allot and Issue Shares by Directors pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 7, 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 Annual General Meeting 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 Annual General Meeting held on 19 December 2012 and hence no proceeds were raised therefrom.

Ordinary Resolution 8
Proposed Renewal of Authority for Purchase of Own Shares by the Company

The proposed Ordinary Resolution 8 if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting.

Please refer to the Share Buy-Back Statement dated 27 November 2013 for further information.

PROXY FORM

CDS ACCOUNT NO. OF AUTHORISED NOMINEE

NUMBER OF SHARES HELD

MY E.G. SERVICES BERHAD

(505639-K)
(Incorporated in Malaysia)

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 Thirteenth Annual General Meeting of the Company, to be held at Function Room 1 to Room 2, Kuala Lumpur Golf & Country Club, No 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Thursday, 19 December 2013 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 of failing him" 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
	Ordinary Business		
Ordinary Resolution 1	To approve the Final Tax-Exempt Dividend		
Ordinary Resolution 2	To re-elect Dato' Shamsul Anuar Bin Haji Nasarah		
Ordinary Resolution 3	To re-elect Dato' Raja Haji Munir Shah Bin Shah Mustapha		
Ordinary Resolution 4	To re-elect Ng Fook Ai, Victor		
Ordinary Resolution 5	To approve the payment of Directors' fees for the financial year ended 30 June 2013		
Ordinary Resolution 6	To re-appoint Messrs Crowe Horwath as Auditors of the Company		
	Special Business		
Ordinary Resolution 7	To approve the Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 8	To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company		

Dated this _____ day of _____ 2013

_____
Signature/Common Seal of Shareholder

Contact No.:_____

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

NOTES:

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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.
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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 adjournment thereof.
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Fold this flap for sealing

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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.

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