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

ANNUAL REPORT 2012

ANNUAL REPORT

2012



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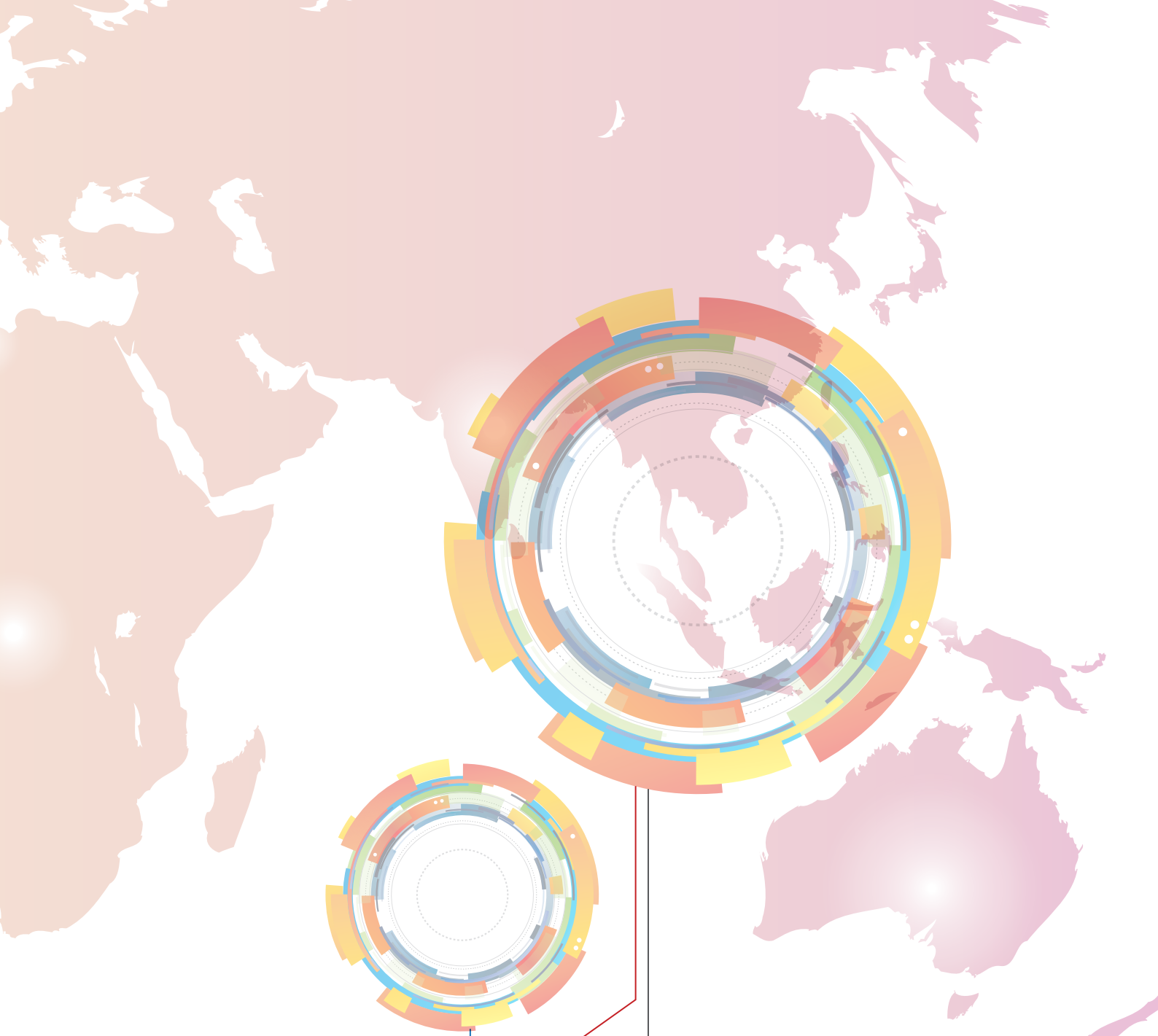
MY E.G. SERVICES BERHAD
(COMPANY NO. 505639-K)

myeg

www.myeg.com.my

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

Customer Service Centre:
Lot 8.02, Level 8,
1 First Avenue, Persiaran Bandar Utama,
Bandar Utama, 47800 Petaling Jaya,
Selangor Darul Ehsan
Tel: 03-7801 8888 Fax: 03-7801 8889
Email: help@myeg.com.my



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Corporate Structure

My EG Sdn. Bhd. ("EGSB")

100%

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

Gale Vector Sdn. Bhd. ("GVSB")

100%

Provision of software solutions and maintenance services.

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

100%

Provision of auto insurance intermediary services.

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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

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

100%

Investment Holding.

Ipidato Sdn. Bhd. ("ISB") ^

100%

Developing and organising online debate networks and related activities.

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

40%

Provision of software and hardware solutions and related services.

^ - held through MYEGC

Corporate Information

DIRECTORS

Dato' Dr Norraesah Binti Haji Mohamad
(Executive Chairman)

Wong Thean Soon
(Managing Director)

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

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

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

Ng Fook Ai Victor
(Independent Non-Executive Director)

COMPANY SECRETARIES

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

REGISTERED OFFICE

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

PRINCIPAL BANKERS

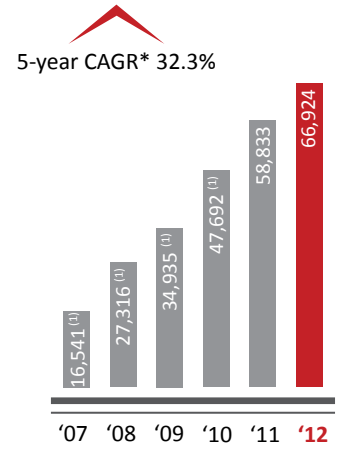
RHB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

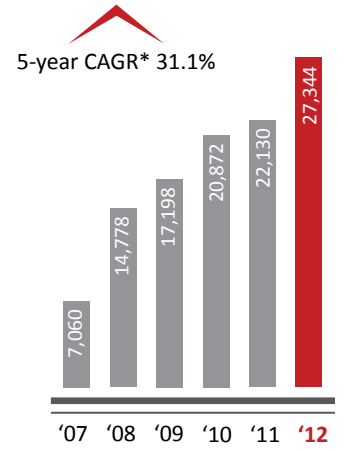
Main Market of Bursa Malaysia Securities Berhad
Stock Code : 0138

Financial Highlights

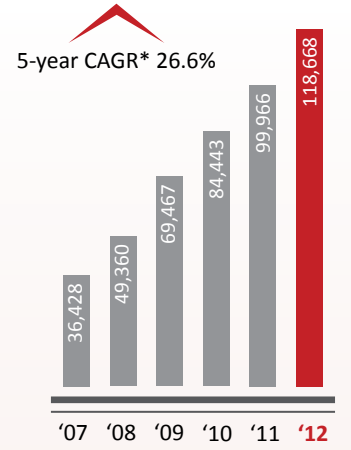
REVENUE (RM'000)



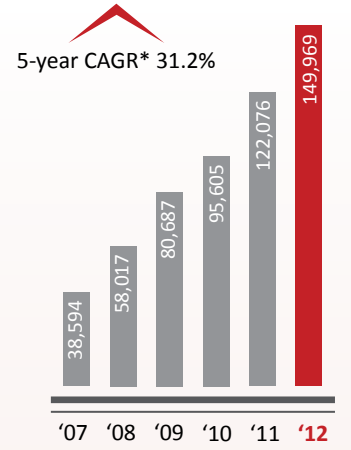
NET PROFIT (RM'000)



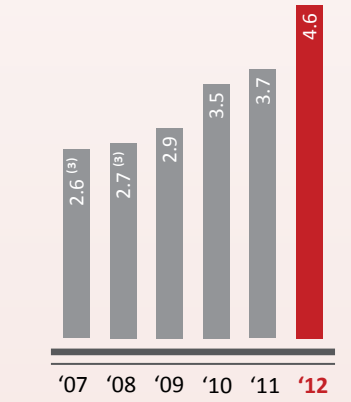
SHAREHOLDERS' EQUITY (RM'000)



TOTAL ASSETS (RM'000)



NET EARNINGS PER SHARE (sen)



* *CAGR = Compounded Annual Growth Rate.*
(1) *Figures have been restated.*
(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)	2007	2008	2009	2010	2011	2012
Revenue [1]	16,541	27,316	34,935	47,692	58,833	66,924
EBITDA [2]	8,547	17,678	21,937	26,749	30,727	37,168
Profit Before Tax	7,117	14,825	17,315	21,009	22,960	27,610
Net Profit	7,060	14,778	17,198	20,872	22,130	27,344

Summarized Group Balance Sheets As At 30 June (RM'000)	2007	2008	2009	2010	2011	2012
Equipment	8,658	17,479	33,595	39,995	69,769	74,637
Other investments	-	-	-	-	-	350
Development Costs	5,527	7,009	8,732	10,113	10,502	11,154
Goodwill on Consolidation	2,601	12,022	12,022	12,016	12,016	12,016
Current Assets	21,808	21,507	26,338	33,481	29,789	51,812
Current Liabilities	1,740	3,489	7,101	6,976	14,636	23,029
Net Current Assets	20,068	18,018	19,237	26,505	15,153	28,783
	36,854	54,528	73,586	88,629	107,440	126,940
Financed By:						
Share Capital	12,625	25,250	60,105	60,105	60,105	60,105
Share Premium	9,673	-	-	-	-	-
Treasury Shares	-	-	-	(158)	(158)	(2,206)
Retained Profits	14,130	24,110	9,362	24,496	40,019	60,769
Shareholders' Equity	36,428	49,360	69,467	84,443	99,966	118,668
Minority Interests	87	80	46	-	-	-
	36,515	49,440	69,513	84,443	99,966	118,668
Non-Current Liabilities						
Long-Term Borrowings	331	5,081	4,067	4,186	6,775	7,573
Taxation	8	7	6	-	699	699
	36,854	54,528	73,586	88,629	107,440	126,940

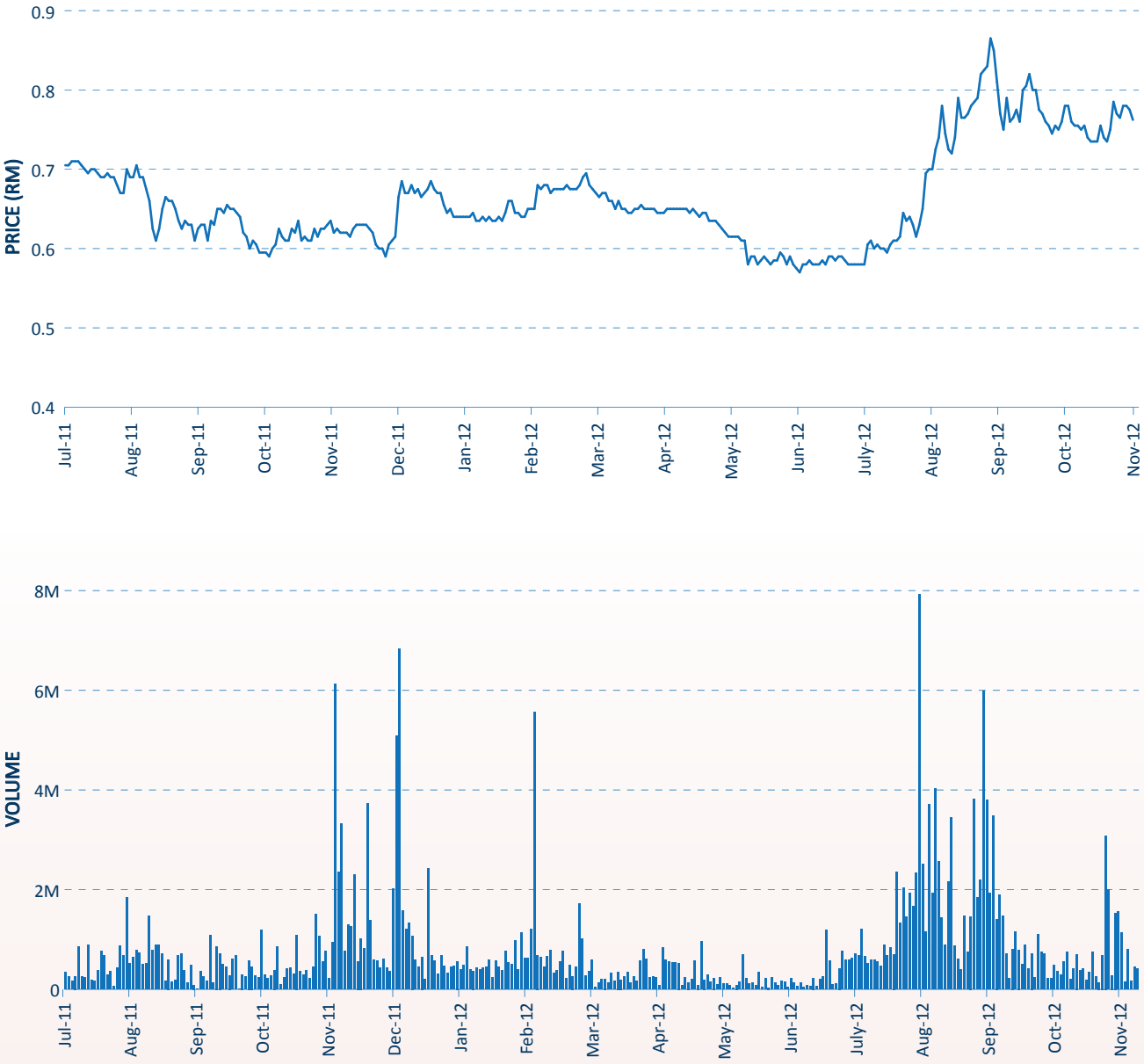
Financial Analysis	2007	2008	2009	2010	2011	2012
Revenue Growth	22.5%	65.1%	27.9%	36.5%	23.4%	13.8%
Profit Before Tax Growth	72.8%	108.3%	16.8%	21.3%	9.3%	20.3%
Net Profit Growth	75.7%	109.3%	16.4%	21.4%	6.0%	23.6%
Pre-tax Profit Margin	43.0%	54.3%	49.6%	44.1%	39.0%	41.3%
Net Profit Margin	42.7%	54.1%	49.2%	43.8%	37.6%	40.9%
Total Assets (RM '000)	38,594	58,017	80,687	95,605	122,076	149,969
Gearing (Net of Cash) (Times)	Net Cash	Net Cash	Net Cash	Net Cash	0.05	0.01
Cash and Cash Equivalents (RM'000)	15,681	11,269	14,560	8,825	5,334	9,822
Return on Average Equity	26.4%	34.5%	28.9%	27.1%	24.0%	25.0%
Return on Average Total Assets	24.5%	30.6%	24.8%	23.7%	20.3%	20.1%
Net Tangible Assets Per Share (Sen)	22.4	12.0	8.1	10.4	12.9	16.1
Net Earnings Per Share (Sen)	2.6 [3]	2.7 [3]	2.9	3.5	3.7	4.6

[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 1 July 2011 to 9 November 2012



Share Price Information

Record High	RM0.865 (30 August 2012)
Closing Price as at 9 November 2012	RM0.750

Market Value Ratios as at 9 November 2012

Historical PE Multiple	16.3x
Price/Book Ratio	4.7x

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), it is my pleasure to present to you the Company's Annual Report and financial statements for the financial year ended 30 June 2012 ("FY2012").

In the year under review, Malaysia's Gross Domestic Product (GDP) in 2011 grew by 5.1%, which was slightly lower than the 7.2% recorded in 2010. Despite the economic turmoil overseas, Malaysia continued to register positive results in the first half of 2012 with 5.4% GDP growth. This was due to stronger-than-anticipated domestic demand.

In the Information and Communication Technology ("ICT") sector, the Malaysian Communications and Multimedia Commission reported that, Malaysia's internet broadband penetration had moved a step higher to 63.7% as at 30 June 2012 which translates to an approximate 6.7 million households nationwide.

These positive indicators created a conducive landscape for the Malaysian Government's plans to encourage greater adoption of online transactions and e-Government initiatives in particular.

Financial Performance

I'm pleased to announce that MYEG has attained yet another outstanding performance in FY2012, with record group net profit of RM27.3 million on the back of its highest-ever group revenue of RM66.9 million.

This showing surpasses the Group's performance in the previous financial year, with group net profit of RM22.1 million on RM58.8 million in group revenue.

Correspondingly, basic earnings per share improved to 4.6 sen in FY2012 compared to 3.7 sen previously, representing 24.3% increase.

Chairman's Statement cont'd

Among the factors contributing to the the Group's commendable results in FY2012 were the overall increases in transaction volume of our e-Government services, primarily the online Road Tax and Auto-insurance renewal services, as well as the Highway Code test-taking service.

Further, we have observed that a substantial portion of our 10 million strong user base utilised our e-Government services on a repeated basis. This certainly indicates users' preference in using the MYEG portal to transact with the Government.

Indeed, we are happy that the adoption of MYEG's services continues to gain traction.

This is also reflected in our financial results over the years, where group revenues have climbed steadily by 32.3% on a compounded annual basis from FY2007 to FY2012, and group net profits expanded by 31.1% in the same period.

As at 30 June 2012, group shareholders equity rose to RM118.7 million compared to RM100.0 million in the previous year. Total borrowings was slightly higher at RM11.6 million as compared to RM10.5 million previously, due to the Group's further capital expenditure for new e-Government services. Nevertheless, the Group's balance sheet remained healthy, with net gearing of 0.01 time at end of FY2012.

Dividend

MYEG had declared and paid its first interim tax exempt dividend of 0.5 sen per ordinary share on 21 May 2012, in respect of FY2012.

With the Group's positive financial position, the Board has proposed a final tax exempt dividend of 0.9 sen per ordinary share in respect of FY2012 subject to the shareholders' approval at the forthcoming AGM of MYEG.

Shareholders' approval of this final dividend in the upcoming Annual General Meeting would see the Group paying a total of 1.4 sen per ordinary share in respect of FY2012. This will translate to a total dividend payout of RM8.4 million or 30.7% of FY2012 net profit, in line with our dividend policy of minimum 30% of profit.

Corporate Developments

- *Memorandum of Understanding (MOU) between MYEG and National Information Technologies JSC (NIT) of the Republic of Kazakhstan*

  On 17 April 2012, the Group signed a new MOU with NIT to build upon the MOU that was signed in previous year. This agreement will see the Group working with NIT on scientific, technological, innovative, and academic activities in Kazakhstan, and augurs well for the Group's expansion plans to overseas markets.

- *Attainment of tax free incentive for My EG Sdn Bhd ("EGSB")*

  MYEG's wholly-owned subsidiary, EGSB was granted Pioneer Status incentive under Promotion of Investments Act, 1986 which will qualify the subsidiary for 10 years of Tax Free status commencing from April 2011.

- *Acquisition of shares in My E.G. Capital Sdn Bhd ("MYEGC") and iPidato Sdn Bhd ("ISB")*

  On 14 February 2012, MYEG had completed the acquisition of 2 ordinary shares of RM1.00 each in MYEGC, resulting in MYEGC becoming a wholly-owned subsidiary of MYEG. This acquisition is to streamline MYEG's group structure for any expansion of business that may be contemplated in the future.

  On 12 March 2012, MYEGC acquired 2 ordinary shares of RM1.00 each in ISB, resulting in ISB becoming a wholly-owned subsidiary of MYEGC, which in turn is the sub-subsidiary of the Company. The ISB's online debate platform provides a portal to the public who wants to debate on a variety of current issues and create awareness amongst the younger generation on current issues affecting the nation.

Future Outlook

The Malaysian Government has identified internet penetration as one of the key milestones towards achieving a knowledge-based economy. The Government's commitment to this objective is demonstrated in various initiatives to improve internet infrastructure in the urban and rural communities, as well as in its constant encouragement of Government agencies to consider providing the online option to complement existing over-the-counter services for enhanced public service delivery.

Chairman's Statement cont'd

We believe that our track record in successfully rolling out e-Government services in the past decade places us well in accelerating the pace of expansion going forward. Mindful of this, MYEG will continue its efforts to provide a more positive experience for users, through the introduction of more innovative services to enable members of the public to conveniently transact with the Government.

We will also continue our efforts to make MYEG a household name through our nationwide advertising and promotional campaigns.

We are confident that this twin-pronged approach will reinforce our position as Malaysia's leading e-Government service provider.

Corporate Responsibility ("CR")

As part of CR, MYEG has always been supportive of youth development programmes as we see youth as the next generation leaders and entrepreneurs.

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

We had also supported the Youth Trust Foundation which organized the Youth Social Business Summit program. This program is dedicated to getting young people involved in social activism and entrepreneurship through social business.

Amongst the major CR initiatives carried out by MYEG in FY12 is to support the Cambodian Muslim Development Foundation which runs training centers set up to provide training and improve the education of Muslim youths in Cambodia.

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 employees' capabilities and contribute significantly to MYEG in the long term.

Corporate Governance

The Group will continue to uphold effective corporate governance and maintain the high standards of business practices that are expected of us as a listed entity. We are determined to consistently implement these principles and policies to our daily operational activities to protect our shareholders' value. A review of the Group's corporate governance policies is included in this Annual Report.

Acknowledgements

FY2012 has been a commendable year for the Group and for this, we would like to express our gratitude to the various Government agencies and authorities for their confidence and support in MYEG.

I would also like to thank the Board, management, and employees of MYEG for their tireless contribution to the Group, their unwavering reliability and constant stream of innovative ideas to take the Group one step further.

Our appreciation also goes out to our valued shareholders, business partners, bankers, and clients for their continuous support.

The year ahead looks bright and we promise to provide more innovative e-Government services to further serve the public better.

Dato' Dr Norraesah binti Haji Mohamad
Executive Chairman

Business Review

We are pleased to report that the Group performed favourably in FY2012, with group revenue rising to RM66.9 million from RM58.8 million recorded in FY2011. This is the result of our concerted efforts in enhancing our suite of e-Government services as well as brand building efforts of MYEG.

- **Increasing take-up rates of existing services**

  In the year under review, the Group saw significant increases in transaction volumes for our existing services, namely the Road Transport Department ("RTD") or RTD-related services. For example, our Road Tax renewal service recorded an average of 9,000 transactions per day, indicating users' trust in our reliable service.

  There was also a positive uptrend in adoption of our Insolvency Search services, as well as the online foreign worker permit renewal services despite the freeze of Indonesian and Cambodian maids in the past year.

- **Enhancing the breadth and reach of our suite of services**

  While heartened by the public's growing adoption of e-Government services, the Group constantly endeavoured to introduce new services to benefit a wider community.

  To this end, MYEG introduced the Temporary Vehicle Ownership Transfer or "Sistem Tukar Milik Sementara" on 5 December 2011. This new service was introduced to solve all issues concerning the transfer of ownership when the vehicle is sold to a used-car dealer. This service would ensure that the right party will bear the responsibility in the event that traffic summonses or other actions are issued against the vehicle during the "transitional phase", thereby protecting the seller.

  The rollout of new services was accompanied by the corresponding increase in our geographical reach. MYEG has increased the number of E-Service Kiosks in FY2012 to 645, as compared to 495 in the previous year. With this, we hope to further improve user accessibility to our e-Government services.

- **Strengthening the MYEG brand**

  In the year under review, MYEG has continued to invest in Marketing, Advertising and Promotional ("A&P") efforts to increase our visibility amongst the net-savvy generation.

  MYEG is the proud sponsor of key sporting events on cable television such as the Barclays Premier League and various contests on television and radio broadcast stations as well as on social media networks such as Facebook.

  The Group also participated in numerous entertainment sponsorships namely the "Konsert Kemuncak Raya Suria FM" on 1 October 2011, "Faye Wong 2011 Concert Tour in Kuala Lumpur" on 6 November 2011 and the "Lee Hom: Music Man II" concert on 3 March 2012.

  We have also raised the ante on actively engaging with the public via social media sites. We are currently active on the "Friends of MYEG" Facebook page and the "@myegclub" on Twitter, whereby our customers and followers are able to make enquiries about our services. To date, our Facebook site has garnered over 67,000 'likes' and our Twitter account has over 1,000 'followers' with whom we interact regularly.

  In addition to users engagement with MYEG, we decidedly wish to encourage meaningful interaction between members of the public in the online sphere. It is with this in mind that we rolled out our new online debating portal, www.iPidato.com in April 2012. This portal would provide users with a convenient platform to discuss topics of interest in a transparent and effective manner.

- **Strengthening the MYEG brand** *(cont'd)*

  Since its commencement, www.iPidato.com has played host to numerous debates, including those between politicians from both sides of the fence, witnessed by the general public and decided by online votes. We at MYEG strongly believe that www.iPidato.com would not only promote wholesome debates but also sharpen users' analytical skills and critical thinking.

  MYEG is dedicated to spurring the spirit of innovation amongst Malaysians. We are delighted with the overwhelming response to "Make the Pitch", our reality television contest aimed at discovering viable business ideas from Malaysian technopreneurs and giving them a head start to realize the full potential of their business ideas. To date, MYEG has successfully completed two seasons of the series, and are pleased to play a pivotal role in assisting these technopreneurs in their entrepreneurial journey.

FUTURE OUTLOOK

The results in the year under review have demonstrated the Group's continuous efforts to boost the awareness of our brand and business. We certainly believe that with our track record thus far and strategies in place, the Group is set for a stronger year ahead.

MYEG will continue to constantly upgrade the existing e-Government services to provide our users with an increasingly efficient platform to conduct their e-Government transactions.

A case in point is the Voluntary Vehicle Ownership Transfer Service or "Sistem Tukar Milik Sukarela", which was officially launched on 8 August 2012. Unlike the Temporary Vehicle Ownership Transfer Service, this service would allow the seller to undertake online transfers of vehicle ownership directly to the buyers, subject to the necessary online approvals from the RTD and other authorities.

Our commitment to serve the public does not end here, as we are continuously investing in research and development to provide new innovative ideas and services that will be introduced in the future. In the pipeline, and amongst others, is new e-Government services for the Immigration and Customs Departments, amongst others, that would be rolled-out at a later date.

The Group is also dedicated to enhancing our brand equity through A&P efforts. These include the commencement of the third season of "Make The Pitch", as well as other marketing initiatives. Moreover, awareness of our iPidato platform has also risen a notch, as we are currently playing host to the World Universities Peace Invitational Debate ("WUPID") which has seen the participation of top universities around the world. Amongst the top ranked universities are Yale, Sydney Union, Oxford Union, Monash and Harvard.

MYEG is set for a busy year ahead and we strongly believe that by capitalizing on our strengths, we will be able to continue to provide the public with efficient and innovative e-Government services that will propel the nation to the next level.

Events Highlight

Launch of New Online Service

In December 2011, MYEG launched the first phase of its online vehicle ownership transfer service, which is the Temporary Vehicle Ownership Transfer Service or "Sistem Tukar Milik Sementara". Subsequently, on 8 August 2012, MYEG officially launched its Voluntary Vehicle Ownership Transfer Service, which covers all sale and registration of second hand vehicles. This system allows vehicle owners and eventual buyers the convenient option of transferring vehicle ownership online.

Introduction of Online Debate Portal

In April 2012, as part of our corporate responsibility, ISB, our sub-subsidiary rolled out a debating website www.ipidato.com, an online debate network for people who love debates and love to debate. iPidato was also a sponsor of WUPID.



Sponsorships of Events including Gala Dinners, Contests, Sports Entertainment and Live Concerts

MYEG was a main sponsor of Gala Dinner for Asian Business Angel Forum 2012 ("ABAF").

MYEG continued to organize the online contest via social media such as "Syoknya Raya 2012" for the second consecutive year.

MYEG continued with its sponsorship of Barclays Premier League for season 2012/2013 which started in August 2012.

MYEG was a presentation sponsor and co-sponsor for live concerts of famous artiste namely Jacky Cheung, Lee Hom, A Mei, Kenny G, Fish Leong and Hacken Lee.



Television Reality Show

Due to the overwhelming response for the television reality show "Make The Pitch"which was launched in July 2011, MYEG continued with the Second Season of this reality show which commenced in July 2012.

Conferences and Exhibitions

MYEG continued to participate actively in exhibitions and road shows organized by the government agencies namely RTD handholding programmes and Malaysia Department of Insolvency ("MDI") Interactive Day, which was intended to create awareness amongst the Malaysian public especially in the rural areas.

MYEG also sponsored the Asian Business Angel Forum ("ABAF") to enable a platform to bring the best of Asia's angel investors, venture capitalists, decision makers, policy leaders and entrepreneurs together in one location.



Directors' Profile



DATO' DR NORRAESAH BINTI HAJI MOHAMAD

Executive Chairman

Dato' Dr Norraesah Binti Haji Mohamad, a Malaysian aged 64, 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 (40) 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 since 2000. She was appointed as a Senator in 2005 and held the position until 2008.

She sits on the Board of Directors of KESM Industries Berhad, 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 2012. 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 41, 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 maintainence 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 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 2012. 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



DATO' RAJA HAJI MUNIR SHAH BIN RAJA MUSTAPHA

Executive Director

Dato' Raja Haji Munir Shah Bin Raja Mustapha, a Malaysian aged 49, was appointed to the Board on 20 May 2004.

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

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

In 2008, he was elected as Deputy Head of the UMNO Tanjung Division, a position he still holds presently.

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 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 2012. He holds 409,900 ordinary shares directly in the Company and 189,657,998 ordinary shares indirectly in the Company.



TAN SRI DATO' DR MUHAMMAD RAIS BIN ABDUL KARIM

Independent Non-Executive Director

Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim, a Malaysian aged 66, 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 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 a Director of Yakin IT Sdn Bhd and 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 conviction for offences anytime in the past, save for traffic offences, if any.

He has attended all five (5) Board meetings held in the financial year ended 30 June 2012. 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



NG FOOK AI, VICTOR

Independent Non-Executive Director

Ng Fook Ai, Victor, a Singaporean aged 64, was appointed to the Board on 2 January 2008. He is also a member of the Audit Committee.

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

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

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

He is the founder and Executive Chairman of New Asia Assets, an Asian headquartered investment company focused on investing in Greater China. Victor has founded and managed a number of China focused funds, including China Growth Opportunities, a £50million 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 has over 40 years of experience in financial advisory services and he was a former Principal/Consulting Partner of KPMG Singapore. He is also a Non-Executive Chairman of Singapore listed Devotion Energy Group limited, a clean energy equipment business, and Independent Director 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 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 2012.



DATUK MOHD JIMMY WONG BIN ABDULLAH

Independent Non-Executive Director

Datuk Mohd Jimmy Wong Bin Abdullah, a Malaysian aged 50, was appointed to the Board on 18 August 2006. He is also a Chairman of the Nomination Committee and member of the Audit 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 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 2012. He holds 552,000 ordinary shares directly 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 ("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").

BOARD OF DIRECTORS

The Board

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 charting the strategic direction, development and control of the Group. In summary, this includes the review and monitoring of matters relating to strategy, performance, resource allocation, standards of conduct, financial matters, succession planning, effectiveness and adequacy of the Group's system of internal controls and risk management practices.

Composition and Board Balance

The Board currently comprising six (6) members; three (3) of whom are Executive Directors (including the Chairman) and three (3) Independent Non-Executive Directors. A brief profile of each Director is presented on pages 13 to 16 of the Annual Report.

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 complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities which requires at least two (2) Directors or one third (1/3rd) of the Board of the Company, whichever is the higher, are Independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest 1/3rd shall be used. In the event of any vacancy in the Board resulting in non-compliance with the requirements on Independent Directors, the vacancy must be filled within three (3) months of that event.

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.

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.

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.

Corporate Governance Statement cont'd

BOARD OF DIRECTORS *(cont'd)*

Composition and Board Balance *cont'd*

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 Meetings

During the financial year ended 30 June 2012, a total of five (5) Board meetings were held. As at the date of this Annual Report, the details of attendance of the Directors who are in office are as follows:

Name of Director	Designation	Meetings Attended
Dato' Dr Norraesah Binti Haji Mohamad	*Executive Chairman*	5/5
Wong Thean Soon	*Managing Director*	5/5
Dato' Raja Haji Munir Shah Bin Raja Mustapha	*Executive Director*	4/5
Datuk Mohd Jimmy Wong Bin Abdullah	*Independent Non-Executive Director*	5/5
Ng Fook Ai, Victor	*Independent Non-Executive Director*	5/5
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	*Independent Non-Executive Director*	5/5

Supply of 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.

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 there 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.

BOARD COMMITTEES

The following principal Board Committees that have been established to assist the Board in discharging its fiduciary duties and to enhance business and operational efficiency:

- Audit Committee
- Nomination Committee
- Remuneration Committee

The terms of reference of each Board Committee have been approved by the Board and, where applicable, comply with the recommendations of the Code. These Committees have the authority to examine particular issues and report to the Board with their recommendations. Nonetheless, the ultimate responsibility for the final decision on such matters lies with the Board.

(a) Audit Committee

The Board has established the Audit Committee to assist the Board in discharging its duties. The Audit Committee works closely with the external auditors and maintains a transparent professional relationship with them.

The report of the Audit Committee is set out on pages 23 to 27 of this Annual Report.

(b) Nomination Committee ("NC")

The NC consists of two (2) Non-Executive Directors, all of whom are independent. The members of the NC are as follows:

- Datuk Mohd Jimmy Wong Bin Abdullah – *Chairman, Independent Non-Executive Director*
- Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim – *Member, Independent 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 NC will meet at least once a year or at any time when the need arises. The quorum for each meeting shall be two (2) members.

During the financial year, the NC met once which was attended by all its members. 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.

(c) Remuneration Committee ("RC")

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 Non-Executive Director*
- Datuk Mohd Jimmy Wong Bin Abdullah – *Member, Independent Non-Executive Director*
- Wong Thean Soon – *Member, Managing Director*

The roles and responsibilities of the RC include remuneration strategy and policy; to consider and to determine the remuneration of the Executive Directors and Non-Executive Directors of the Group in all its forms.

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

Corporate Governance Statement cont'd

BOARD COMMITTEES *(cont'd)*

(c) Remuneration Committee ("RC") *(cont'd)*

The RC will meet at least once a year or at any time when the need arises. The quorum for each meeting shall be two (2) members.

During the financial year, the RC met once which was attended by all its members. The RC had reviewed and recommend to the Board, the remuneration package for the Managing Director and Executive Directors of the Company and further recommended the Non-Executive Directors; fees to the Board to seek shareholders' approval at the Company's Annual General Meeting.

Appointments and Re-election of Directors

Any appointment of a new Director to the Board or Board Committee is recommended by the NC for consideration and approval by the Board.

In accordance with the Company's Articles of Association, all Board members who are appointed by the Board shall be subjected to election by shareholders at the first opportunity of their appointment. The Company's Articles of Association also provide that at least one-third (1/3) of the Directors shall retire by rotation at each Annual General Meeting and that all Directors shall retire once every three (3) years. A retiring Director shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965. Presently, there is no Director of the Company who is subject to such re-appointment.

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.

For the financial year under review, the Directors attended various briefings, conferences, exhibitions, seminars and speaking engagements which they considered useful to enhance their business acumen and skills to meet challenging commercial risks and challenges. In addition to the above, all directors also attended a technical briefing on the amendments to the Main Market Listing Requirements of Bursa Securities, the New Corporate Disclosure Guide issued by Bursa Securities on 22 September 2011 and the Corporate Governance Blueprint issued by the Securities Commission Malaysia.

The Directors were also briefed by the Company Secretaries on the various amendments to the Main Market Listing Requirements of Bursa Securities.

Directors' Remuneration

The remuneration package are structured according to the skills, experience and performance of the Executive Directors to ensure the Group attracts and retains the Directors needed to run the Group successfully. The remuneration package of the Non-Executive Directors depends on their contribution to the Group in terms of their knowledge experience.

Details of the aggregate remuneration of Directors for the financial year ended 30 June 2012 are as follows:

	Fees (RM'000)	Salaries (RM'000)	Other Emoluments (RM'000)	Benefits In Kind (RM'000)	Total (RM'000)
Executive Directors	376	-	16	-	392
Non-Executive Directors	120	-	-	-	120
Total	496	-	16	-	512

BOARD COMMITTEES *(cont'd)*

Directors' Remuneration *(cont'd)*

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

Remuneration Bands	Executive Directors	Non-Executive Directors	Total
RM50,001 – RM100,000	-	2	2
RM100,001 – RM150,000	3	-	3

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 Directors' remuneration are appropriately served by the disclosure made above.

RELATIONS WITH SHAREHOLDERS AND INVESTORS

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.

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.

ACCOUNTABILITY AND AUDIT

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 Committee assists the Board in reviewing the information to be disclosed, to ensure the completeness, accuracy and adequacy of financial disclosures.

Internal Controls

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 Audit Committee 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 Statement on Internal Control set out on pages 28 to 29 of this Annual Report provides an overview of the state of internal controls within the Group.

Corporate Governance Statement cont'd

ACCOUNTABILITY AND AUDIT *(cont'd)*

Relationship with Auditors

Through the Audit Committee, 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 Audit Committee and the Board on matters that require their attention.

A summary of the activities of the Audit Committee during the year is set out in the Audit Committee Report on pages 26 to 27 of this Annual Report.

Audit Committee Report

The Board of Directors of My E.G. Services Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2012.

MEMBERSHIP

As at the date of this Annual Report, the members of the Audit Committee ("AC") 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*

MEETINGS

The AC convened five (5) meetings during the financial year ended 30 June 2012. 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 AC member during the financial year ended 30 June 2012 are as follows:

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

Details of the members of the AC are contained in the Profile of Directors as set out on pages 13 to 16 of this Annual Report.

Senior Management staff and the External Auditors attended the meetings at the invitation of the AC, where considered necessary. The Company Secretary was also present to record the proceedings of the AC meetings.

For the financial year under review, the AC held two (2) meetings with the external auditors and one (1) meeting with the internal auditor without the presence of the Management to discuss any issues or significant matters, which the internal/external auditors wished to raise.

COMPOSITION AND TERMS OF REFERENCE

The Terms of Reference of the AC are as follows:

1. Composition

The AC shall be appointed from amongst the Board and shall comprise no fewer than three (3) members who are Non-Executive Directors and majority of whom shall be Independent Directors. No alternate director shall be appointed as a member of the Audit Committee.

At least one (1) member of the AC must be a member of the Malaysian Institute of Accountants or if he is a not a member of the Malaysian Institute of Accountants, he must have at least 3 years working experience and;

(i) he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

(ii) he/she must be a member of one of the associations of accountants as specified in Part II of the 1st Schedule of the Accountants Act 1967; or

Fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

Audit Committee Report cont'd

COMPOSITION AND TERMS OF REFERENCE *(cont'd)*

1. Composition *(cont'd)*

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

2. Chairman

The Chairman of the AC shall be appointed by the Board, or failing which, by the members of the AC themselves. The Chairman 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 AC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

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

4. Meetings

The AC 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 AC may call for a meeting as and when required with reasonable notice as the Committee Members deem fit. The Committee 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.

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

The internal auditors and external auditors may appear at any meeting at the invitation of the Audit Committee and shall appear before the Audit Committee when required to do so by the Audit Committee. The internal auditors and external auditors may also request a meeting if they consider it necessary.

5. Rights

The AC 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;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) have the right to obtain independent professional or other advice at the Company's expense;
(f) have the right to convene meetings with the internal auditors and external auditors, excluding the attendance of other directors or employees of the Group, whenever deemed necessary;

COMPOSITION AND TERMS OF REFERENCE *(cont'd)*

5. Rights *(cont'd)*

The AC shall: *(cont'd)*

(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 Committee 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 internal auditors and 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; and
- the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.

(b) To review the adequacy of the scope, functions, competency and resources and set the standards of the internal audit function.

(c) To provide assurance to the Board of Directors on the effectiveness of the system of internal control and risk management practices of the Group.

(d) To review the following in respect of the internal audit function:
- adequacy of the scopes, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out the work;
- internal audit plan and monitor its implementation; and
- results of the internal audit activity and investigations and Management's responses, and ensure that appropriate action is taken on the recommendation of the internal audit function.

(e) 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.

(f) 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 and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and 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 Committee Report cont'd

COMPOSITION AND TERMS OF REFERENCE *(cont'd)*

6. Duties *(cont'd)*

(g) 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.

(h) To consider the appointment and/or re-appointment of internal and external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors.

(i) To verify the allocation of options pursuant to a share scheme for employees as being in compliance with the criteria for allocation of options under the employees' share option scheme, at the end of each financial year.

7. Review of AC

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

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AC

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

(a) the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of relevant authorities, prior to the submission to the Board for their approval and release of the Group's results to Bursa Securities.

(b) the annual report and annual audited financial statements of the Group and of the Company prior to submission to the Board of Directors for their consideration and approvals.

(c) the audit plan of the external auditors in terms of their scope of audit prior to their commencement of the annual audit.

(d) the external auditors' report in relation to audit and accounting issues arising from the audit; matters arising from the audit of the Group in meetings with the external auditors without the presence of the executive Board members and management.

(e) the re-appointment of external auditors and their audit fees, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit, before the recommendation to the Board for approval.

(g) 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.

Audit Committee Report cont'd

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AC *(cont'd)*

During the financial year under review, the following activities were undertaken by the AC, including the deliberation on and review of: *(cont'd)*

(h) the re-appointment of internal auditors and made the appropriate recommendation to the Board.

(i) the AC Report and Statement on Internal Control before recommending the same to the Board for approval.

(j) the related party transactions entered into by the Group to ensure that they were not detrimental to the interests of minority shareholders.

(k) 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 AC members attended a technical briefing on the amendments to the Listing Requirements of Bursa Securities, the New Corporate Disclosure Guide issued by Bursa Securities on 22 September 2011 and the Corporate Governance Blueprint issued by Securities Commission 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 AC 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 AC. The internal audit reviews conducted did not reveal significant weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in the annual report. Senior Management has taken note of the findings and duly acted upon the recommendations made by the internal audit function.

Further details of the internal audit function are set out in the Statement on Internal Control on pages 28 to 29.

Statement on Internal Control

INTRODUCTION

The Board is pleased to provide a statement on the state of the internal control of the Group prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Internal Control Guidance") in this annual report for the financial year ended 30 June 2012.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of internal controls, risk management and for reviewing the adequacy and integrity of systems of internal controls. The Board is also committed to establishing and maintaining a system of internal control and risk management practices in order to achieve the following objectives:

- Safeguard assets of the Group and shareholders' interest;
- Identify risk and ensuring the implementation of internal control systems to manage risks affecting the Group;
- Compliance with applicable laws, regulations, rules, directives and guidelines; and
- Operational results are closely monitored and substantial variances are promptly explained.

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 is an on-going process of identifying, evaluating and managing significant risks that may affect the Group's achievement of its corporate objectives.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm which reports directly to the AC. The internal audit function is guided by its Audit Charter and to assist the Board and AC in providing independent assessment of the effectiveness, adequacy and integrity of the Group's system of internal controls.

During the financial year ended 30 June 2012, 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.

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.

Statement on Internal Control cont'd

INTERNAL AUDIT FUNCTION *(cont'd)*

For the financial year ended 30 June 2012, the amount of fees incurred in respect of the internal audit reviews performed by the professional service firm was approximately RM45,000.

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.

ASSURANCE

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

REVIEW BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Internal Control pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, 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.

Additional Compliance Information

1. SHARE BUY-BACKS

The shareholders of the Company at the Eleventh Annual General Meeting held on 15 December 2011, 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 3,236,500 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)
September 2011	372,000	0.600	0.620	0.614	229,806.29
October 2011	100,000	0.615	0.615	0.615	61,949.45
November 2011	200,000	0.600	0.600	0.600	120,876.00
January 2012	100,000	0.650	0.650	0.650	65,474.50
February 2012	652,300	0.650	0.680	0.670	439,490.22
March 2012	622,100	0.660	0.695	0.674	425,680.33
May 2012	270,100	0.595	0.600	0.597	160,645.51
June 2012	920,000	0.580	0.600	0.587	543,788.76
Total	3,236,500	-	-	-	2,047,711.06

As at 30 June 2012, the Company had bought back 3,608,400 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 2012.

3. DEPOSITORY RECEIPT ("DR") PROGRAMME

During the financial year ended 30 June 2012, 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.

5. NON-STATUTORY AUDIT FEES

The Company did not incur any non-audit fee for services rendered by the external auditors to the Group for the financial year ended 30 June 2012.

Additional Compliance Information cont'd

6. MATERIAL CONTRACTS

There were no material contracts subsisting at the end of financial year ended 30 June 2012 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 2012 as per the audited financial statements and the unaudited results previously announced.

9. PROFIT GUARANTEE

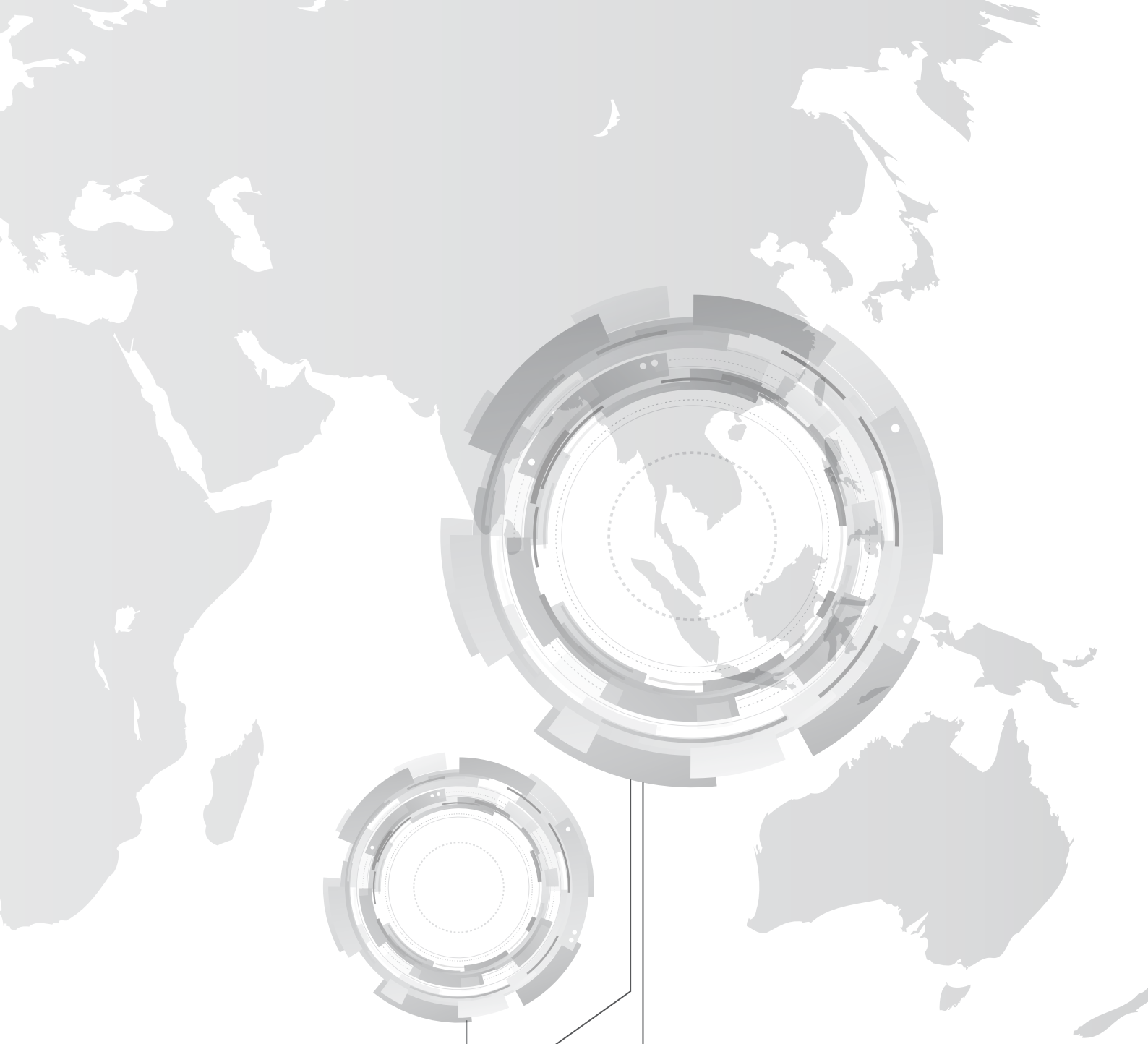
The Company did not make any arrangement during the financial year which requires profit guarantee.

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 2012.

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	27,344	543
Attributable to:		
Owners of the Company	27,344	543

DIVIDENDS

The dividends declared and paid by the Company since 30 June 2011 are as follows:

	RM'000
In respect of the financial year ended 30 June 2011:	
Paid an interim tax-exempt dividend of 0.50 sen per ordinary share	3,003
Paid a final tax-exempt dividend of 0.60 sen per ordinary share	3,600
In respect of the financial year ended 30 June 2012:	
Paid an interim tax-exempt dividend of 0.50 sen per ordinary share	2,994

The directors propose the payment of a final tax-exempt dividend of 0.90 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.

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.

TREASURY SHARES

The details of the treasury shares purchased and retained by the Company during the financial year are shown in Note 18 to the financial statements.

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.

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.

Directors' Report cont'd

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 37 to the financial statements. At the date of this report, there does not exist:-

(i) 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

(ii) 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 1.7.2011	BOUGHT	SOLD	AT 30.6.2012
THE COMPANY				
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	28,246,006	22,180,000	-	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)]	209,157,998	2,500,000	(22,000,000)	189,657,998
DATO' RAJA HAJI MUNIR SHAH BIN RAJA MUSTAPHA [(2)]	209,157,998	2,500,000	(22,000,000)	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 did not have any 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 benefits included in the aggregate amount of emoluments received or due and receivable by the 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 35 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

AUDITORS

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

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 29 OCTOBER 2012

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 42 to 94 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company at 30 June 2012 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 41 on page 95, 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 29 OCTOBER 2012

WONG THEAN SOON **DATO' RAJA HAJI MUNIR SHAH BIN RAJA MUSTAPHA**

Statutory Declaration

I, Wong Thean Soon, I/C No. 710604-08-5153, 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 42 to 94 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Wong Thean Soon, I/C No. 710604-08-5153,
at Kuala Lumpur in the Federal Territory
on this 29 October 2012

WONG THEAN SOON

Before me
YAP LEE CHIN
No: W591
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 2012 of the Group and of the Company, and the statements of 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 42 to 94.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and 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 Company'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 Company'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 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2012 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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)*

The supplementary information set out in Note 41 on page 95 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

CROWE HORWATH
Firm No: AF 1018
Chartered Accountants

LEE KOK WAI
Approval No: 2760/06/14 (J)
Chartered Accountant

29 October 2012
Kuala Lumpur

Statements of Financial Position
at 30 June 2012

	NOTE	THE GROUP 2012 RM'000	THE GROUP 2011 RM'000	THE COMPANY 2012 RM'000	THE COMPANY 2011 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	13,196	13,196
Investment in an associate	6	-	-	400	400
Equipment	7	74,637	69,769	48,926	58,448
Other investments	8	350	-	-	-
Development costs	9	11,154	10,502	7,903	9,422
Goodwill on consolidation	10	12,016	12,016	-	-
		98,157	92,287	70,425	81,466
CURRENT ASSETS					
Trade receivables	11	12,072	8,110	3,618	5,825
Other receivables, deposits and prepayments	12	13,581	10,421	7,485	6,519
Amount owing by subsidiaries	13	-	-	2,079	9,469
Amount owing by an associate	14	16,306	5,872	16,306	5,872
Tax refundable		31	52	-	9
Fixed deposits with licensed banks	15	6,935	1,436	5,912	1,414
Cash and bank balances	16	2,887	3,898	1,064	3,446
		51,812	29,789	36,464	32,554
TOTAL ASSETS		149,969	122,076	106,889	114,020

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

Statements of Financial Position at 30 June 2012 cont'd

	NOTE	THE GROUP 2012 RM'000	THE GROUP 2011 RM'000	THE COMPANY 2012 RM'000	THE COMPANY 2011 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	60,105	60,105	60,105	60,105
Treasury shares	18	(2,206)	(158)	(2,206)	(158)
Retained profits	19	60,769	40,019	31,591	37,642
TOTAL EQUITY		118,668	99,966	89,490	97,589
NON-CURRENT LIABILITIES					
Deferred taxation	20	699	699	678	678
Long-term borrowings	21	7,573	6,775	3,410	5,620
		8,272	7,474	4,088	6,298
CURRENT LIABILITIES					
Trade payables	24	7,660	3,105	275	2,950
Other payables and accruals		3,974	895	3,731	693
Amount owing to subsidiaries	13	-	-	6,666	-
Deferred revenue	25	7,200	3,860	-	-
Dividend payable		-	3,003	-	3,003
Provision for taxation		130	1	130	-
Short-term borrowings	27	4,065	3,772	2,509	3,487
		23,029	14,636	13,311	10,133
TOTAL LIABILITIES		31,301	22,110	17,399	16,431
TOTAL EQUITY AND LIABILITIES		149,969	122,076	106,889	114,020
Net assets per share (sen)	28	19.86	16.64		

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

Statements of Comprehensive Income
for the Financial Year Ended 30 June 2012

	NOTE	THE GROUP 2012 RM'000	THE GROUP 2011 RM'000	THE COMPANY 2012 RM'000	THE COMPANY 2011 RM'000
REVENUE	29	66,924	58,833	27,535	50,944
COST OF SALES		(9,304)	(10,028)	(3,420)	(5,496)
GROSS PROFIT		57,620	48,805	24,115	45,448
OTHER INCOME		32	143	29	1,110
		57,652	48,948	24,144	46,558
ADMINISTRATIVE EXPENSES		(20,500)	(17,761)	(16,511)	(15,836)
OTHER EXPENSES		(8,717)	(7,272)	(6,388)	(6,366)
FINANCE COSTS		(825)	(595)	(542)	(506)
SHARE OF RESULTS IN AN ASSOCIATE		-	(360)	-	-
PROFIT BEFORE TAXATION	30	27,610	22,960	703	23,850
INCOME TAX EXPENSE	31	(266)	(830)	(160)	(698)
PROFIT AFTER TAXATION		27,344	22,130	543	23,152
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		27,344	22,130	543	23,152
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		27,344	22,130	543	23,152
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		27,344	22,130	543	23,152
EARNINGS PER SHARE (SEN)					
- Basic	32	4.6	3.7		
- Diluted	32	Not applicable	Not applicable		

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

Statements of Changes in Equity
for the Financial Year Ended 30 June 2012

		NON-DISTRIBUTABLE		DISTRIBUTABLE	
		SHARE CAPITAL	TREASURY SHARES	RETAINED PROFITS	TOTAL EQUITY
THE GROUP	**NOTE**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance at 1.7.2010		60,105	(158)	24,496	84,443
Profit after taxation/Total comprehensive income for the financial year		-	-	22,130	22,130
Contributions by and distributions to owners of the Company:					
- Dividends	26	-	-	(6,607)	(6,607)
Balance at 30.6.2011/1.7.2011		60,105	(158)	40,019	99,966
Profit after taxation/Total comprehensive income for the financial year		-	-	27,344	27,344
Contributions by and distributions to owners of the Company:					
- Purchase of treasury shares	18	-	(2,048)	-	(2,048)
- Dividends	26	-	-	(6,594)	(6,594)
Balance at 30.6.2012		60,105	(2,206)	60,769	118,668

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

Statements of Changes in Equity for the Financial Year Ended 30 June 2012 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 1.7.2010		60,105	(158)	21,097	81,044
Profit after taxation/Total comprehensive income for the financial year		-	-	23,152	23,152
Contributions by and distributions to owners of the Company:					
- Dividends	26	-	-	(6,607)	(6,607)
Balance at 30.6.2011/1.7.2011		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	18	-	(2,048)	-	(2,048)
- Dividends	26	-	-	(6,594)	(6,594)
Balance at 30.6.2012		60,105	(2,206)	31,591	89,490

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

Statements of Cash Flows

for the Financial Year Ended 30 June 2012

	NOTE	THE GROUP 2012 RM'000	THE GROUP 2011 RM'000	THE COMPANY 2012 RM'000	THE COMPANY 2011 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		27,610	22,960	703	23,850
Adjustments for:-					
Impairment losses on other receivables		-	1	-	1
Amortisation of development costs		887	904	521	724
Depreciation of equipment		7,846	6,268	5,864	5,573
Equipment written off		-	34	-	3
Interest expense		825	595	542	506
Share of results in an associate		-	360	-	-
Dividend income		-	-	-	(1,000)
Loss on disposal of equipment		3	66	3	66
Interest income		(32)	(113)	(29)	(110)
Operating profit before working capital changes		37,139	31,075	7,604	29,613
(Increase)/Decrease in trade and other receivables		(7,122)	(1,415)	1,241	1,511
Increase in trade and other payables		7,634	1,194	363	1,261
Increase in deferred revenue		3,340	2,420	-	-
Increase in amount owing by subsidiaries		-	-	(300)	-
(Increase)/Decrease in amount owing by an associate		(10,750)	350	(10,750)	350
CASH FLOWS FROM OPERATIONS		30,241	33,624	(1,842)	32,735
Interest paid		(825)	(595)	(542)	(506)
Income tax paid		(116)	(172)	(21)	(28)
NET CASH FROM/(FOR) OPERATING ACTIVITIES/BALANCE CARRIED FORWARD		29,300	32,857	(2,405)	32,201

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

Statements of Cash Flows for the Financial Year Ended 30 June 2012 cont'd

	NOTE	THE GROUP 2012 RM'000	THE GROUP 2011 RM'000	THE COMPANY 2012 RM'000	THE COMPANY 2011 RM'000
BALANCE BROUGHT FORWARD		29,300	32,857	(2,405)	32,201
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Purchase of equipment	33	(12,449)	(34,605)	(2,165)	(27,245)
Proceeds from disposal of equipment		5,001	174	5,001	173
Investment in unquoted shares		(350)	(360)	-	(360)
Addition of development costs		(1,539)	(1,329)	(411)	(1,329)
Repayment from/(Advances to) subsidiaries		-	-	9,918	(6,265)
Repayment from associates		316	1,336	316	1,336
Interest received		32	113	29	110
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(8,989)	(34,671)	12,688	(33,580)
		20,311	(1,814)	10,283	(1,379)
CASH FLOWS FOR FINANCING ACTIVITIES					
Drawdown of term loans		-	5,000	-	5,000
Purchase of treasury shares		(2,048)	-	(2,048)	-
Repayment of term loans		(1,837)	(1,002)	(1,837)	(1,002)
Repayment of hire purchase and finance lease payables		(2,341)	(2,071)	(1,351)	(1,868)
Advances from/(Repayment to) subsidiaries		-	-	6,666	(103)
Dividends paid		(9,597)	(3,604)	(9,597)	(3,604)
NET CASH FOR FINANCING ACTIVITIES		(15,823)	(1,677)	(8,167)	(1,577)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,488	(3,491)	2,116	(2,956)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		5,334	8,825	4,860	7,816
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34	9,822	5,334	6,976	4,860

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

Notes to the Financial Statements
for the Financial Year Ended 30 June 2012

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 29 October 2012.

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 Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following new accounting standards and IC Interpretations (including the consequential amendments):-

FRSs and IC Interpretations (including the Consequential Amendments)

Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 (Revised): Additional Exemptions for First-time Adopters

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7: Improving Disclosures about Financial Instruments

IC Interpretation 4 Determining Whether An Arrangement Contains a Lease

IC Interpretation 18 Transfers of Assets from Customers

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

Annual Improvement to FRSs (2010)

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

3. BASIS OF PREPARATION *(cont'd)*

(a) The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:

Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy, as shown in Note 40(e) to the financial statements. Comparatives are not presented by virtue of the exemption given in the amendments.

Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments have no material impact on the financial statements of the Group upon their initial application.

Furthermore, the amendments to FRS 101 (Revised) also clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statement of changes in equity.

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

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1 (Revised): Government Loans	1 January 2013
Amendments to FRS 7: Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 10, FRS 11 and FRS 12: Transition Guidance	1 January 2013
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

3. BASIS OF PREPARATION *(cont'd)*

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

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
IC Interpretation 15 Agreements for the Construction of RealEstate	Withdrawn on 19 November 2011
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements 2012	1 January 2013

The Company's next set of financial statements for the annual period beginning on 1 July 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRSs"). As a result, the Company will not be adopting the above accounting standards and interpretations (including the consequential amendments).

Following the issuance of MFRSs (equivalent to IFRSs) by the MASB on 19 November 2011, the Company will be adopting the new accounting standards in the next financial year. The Company is currently in the process of assessing the impact of the adoption of these new accounting standards and the directors do not expect any significant impact on the financial statements arising from the adoption.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) 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 and the Company'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:-

(i) 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(r) to the financial statements.

(ii) 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.

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(a) Critical Accounting Estimates and Judgements *(cont'd)*

(iii) 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 period in which such determination is made.

(iv) 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.

Information relating to goodwill is disclosed in Note 10 to the financial statements.

(v) 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.

(vi) Amortisation of Development Costs

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

(vii) 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 judgement 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(b) 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.

(i) 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.

- *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.

- *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.

- *Loans and Receivables Financial Assets*

  Trade 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.

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(b) Financial Instruments *(cont'd)*

(i) Financial Assets *(cont'd)*

- *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.

(ii) 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.

(iii) Equity Instruments

Ordinary shares are classified as equity. 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.

(iv) Treasury Shares

When the Company's own shares recognised as equity are purchased by the Company, 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(c) 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.

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June 2012.

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.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity, and are separately disclosed in the consolidated statement of comprehensive income. 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.

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.

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 FRS 127.

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(d) Basis of Consolidation *(cont'd)*

Business combinations from 1 July 2010 onwards

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.

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.

Business combinations before 1 July 2010

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

(e) Goodwill on Consolidation

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.

Business combinations from 1 July 2010 onwards

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. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(e) Goodwill on Consolidation *(cont'd)*

Business combinations before 1 July 2010

Under the purchase method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised as income immediately in profit or loss.

(f) 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.

(g) 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 investment in an associate is accounted for under the equity method, based on the financial statements of the associate made up to 30 June 2012. 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.

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.

If the unrealised gain is in excess of the Group's equity interest, the excess is deferred through the creation of deferred revenue.

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.

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(h) 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 cost 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%
Office and communication equipment	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.

(i) Impairment

(i) Impairment of Financial Assets

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(i) Impairment *(cont'd)*

(i) Impairment of Financial Assets *(cont'd)*

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.

(ii) Impairment of Non-Financial Assets

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

An impairment loss is recognised in profit or loss immediately.

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

(j) 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; and
(v) the availability of adequate technical, financial and other resources to complete the asset under development.

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.

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(k) 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.

(l) 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.

(m) Income Taxes

Income taxes for the year comprise 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(m) Income Taxes *(cont'd)*

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

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

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

(n) Borrowing Costs

All borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(o) 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.

(p) Employee Benefits

(i) 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, in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

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

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(q) Related Parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

(r) Revenue Recognition

(i) Services Rendered

Revenue is recognised upon delivery of services and solutions 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.

(ii) Dividend Income

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

(iii) Interest Income

Interest income are recognised on an accrual basis, based on effective interest rate.

(s) Deferred Revenue

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

(t) 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. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(u) 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.

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2012	**2011**
	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**
		2012	**2011**	
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%	-	Investment holding.
Ipidato Sdn. Bhd. ("ISB") ^	Malaysia	100%	-	Developing and organising online debate networks and related activities.

^ - held through MYEGC
# - represents an amount less than RM1,000

Notes to the Financial Statements
for the Financial Year Ended 30 June 2012
cont'd

5. INVESTMENTS IN SUBSIDIARIES *(cont'd)*

During the financial year,

(a) the Company acquired the entire equity in MYEGC comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2; and

(b) MYEGC acquired the entire equity in ISB comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.

6. INVESTMENT IN AN ASSOCIATE

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	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
		2012	2011	
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

In the previous financial year, MINT increased its issued and paid-up share capital from 100,000 to 1,000,000 ordinary shares of RM1 each. The Company subscribed for the additional 360,000 ordinary shares of RM1.00 each in MINT for a cash consideration of RM360,000 to retain its equity interest of 40%.

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 RM4,508,000 (2011 – RM1,622,000). The Group will recognise this share of losses when the Group has the obligation to invest additional capital in the associate in the future.

6. INVESTMENT IN AN ASSOCIATE *(cont'd)*

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

	2012	2011
	RM'000	RM'000
Assets and Liabilities		
Total assets	22,803	10,046
Total liabilities	35,071	15,101
Results		
Revenue	-	-
Loss for the financial year	(7,214)	(4,105)

7. EQUIPMENT

	AT 1.7.2011	ADDITIONS	DISPOSALS	DEPRECIATION CHARGE	AT 30.6.2012
	RM'000	RM'000	RM'000	RM'000	RM'000
THE GROUP					
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 2012
cont'd

7. EQUIPMENT *(cont'd)*

	AT 1.7.2010	ADDITIONS	DISPOSALS	WRITE-OFFS	DEPRECIATION CHARGE	AT 30.6.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NET BOOK VALUE						
Motor vehicles	889	1,420	(140)	-	(395)	1,774
Office and communication equipment	31,643	32,172	(3)	(12)	(4,063)	59,737
Office furniture and renovation	5,176	1,518	(94)	(3)	(586)	6,011
Computers	2,266	1,197	(3)	(19)	(1,215)	2,226
Software	21	9	-	-	(9)	21
	39,995	36,316	(240)	(34)	(6,268)	69,769

	AT COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
	RM'000	RM'000	RM'000
THE GROUP			
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
AT 30.6.2011			
Motor vehicles	2,414	(640)	1,774
Office and communication equipment	70,079	(10,342)	59,737
Office furniture and renovation	7,774	(1,763)	6,011
Computers	7,689	(5,463)	2,226
Software	61	(40)	21
	88,017	(18,248)	69,769

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

7. EQUIPMENT *(cont'd)*

	AT 1.7.2011	ADDITIONS	DISPOSALS	TRANSFER TO A SUBSIDIARY	DEPRECIATION CHARGE	AT 30.6.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
THE COMPANY						
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

	AT 1.7.2010	ADDITIONS	DISPOSALS	TRANSFER TO A SUBSIDIARY	WRITE-OFF	DEPRECIATION CHARGE	AT 30.6.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
THE COMPANY							
NET BOOK VALUE							
Motor vehicles	500	-	(140)	-	-	(105)	255
Office and communication equipment	30,911	25,485	(2)	-	-	(3,940)	52,454
Office furniture and renovation	3,463	1,227	(94)	(139)	(3)	(432)	4,022
Computers	1,831	955	(3)	-	-	(1,087)	1,696
Software	21	9	-	-	-	(9)	21
	36,726	27,676	(239)	(139)	(3)	(5,573)	58,448

Notes to the Financial Statements
for the Financial Year Ended 30 June 2012
cont'd

7. EQUIPMENT *(cont'd)*

	AT COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
	RM'000	RM'000	RM'000
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
AT 30.6.2011			
Motor vehicles	540	(285)	255
Office and communication equipment	62,099	(9,645)	52,454
Office furniture and renovation	5,438	(1,416)	4,022
Computers	5,904	(4,208)	1,696
Software	61	(40)	21
	74,042	(15,594)	58,448

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	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	1,128	1,524	34	72
Office and communication equipment	8,435	3,671	3,165	3,671
Renovation	1,243	525	381	525
	10,806	5,720	3,580	4,268

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

8. OTHER INVESTMENTS

	THE GROUP	
	2012	2011
	RM	RM
Unquoted shares in Malaysia, at cost	350	-

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

9. DEVELOPMENT COSTS

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
AT COST:-				
At 1 July	18,274	16,981	12,767	11,810
Addition during the financial year	1,539	1,329	411	1,329
Transfer to:				
- subsidiary	-	-	(2,911)	(336)
- associate	-	(36)	-	(36)
At 30 June	19,813	18,274	10,267	12,767
ACCUMULATED AMORTISATION:-				
At 1 July	(7,772)	(6,868)	(3,345)	(2,621)
Amortisation during the financial year	(887)	(904)	(521)	(724)
Transfer to a subsidiary	-	-	1,502	-
At 30 June	(8,659)	(7,772)	(2,364)	(3,345)
	11,154	10,502	7,903	9,422

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	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Staff costs	891	994	201	994

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

10. GOODWILL ON CONSOLIDATION

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

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	
	2012	2011	2012	2011	2012	2011
Software solutions and other insurance-related services	88%	75%	5%	14%	10.9%	12.5%
E-business activities	91%	64%	5%	42%	10.9%	12.5%

(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. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Trade receivables	12,072	8,110	3,618	5,825
Allowance for impairment losses	#	#	-	-
	12,072	8,110	3,618	5,825
Allowance for impairment losses:-				
At 1 July	#	(8)	-	(8)
Written off during the financial year	-	8	-	8
At 30 June	#	#	-	-
	12,072	8,110	3,618	5,825

- represents an amount less than RM1,000

The Group's normal trade credit terms range from 0 to 180 days. Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Other receivables	5,559	5,548	3,834	3,512
Deposits	921	914	733	745
Prepayments	7,101	3,960	2,918	2,263
	13,581	10,422	7,485	6,520
Allowance for impairment losses on other receivables	-	(1)	-	(1)
	13,581	10,421	7,485	6,519
Allowance for impairment losses:-				
At 1 July	(1)	-	(1)	-
Addition	-	(1)	-	(1)
Written off	1	-	1	-
At 30 June	-	(1)	-	(1)

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(cont'd)*

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

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Advance payments for:				
- exhibition and marketing expenses	-	1,155	-	1,155
- corporate exercise expenses	-	47	-	47
Prepayment for purchase of equipment	6,250	1,444	2,750	820
Performance bond placed with gateway provider	4,678	5,473	3,382	3,446

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2012	2011
	RM'000	RM'000
Amount owing by:		
- trade	960	660
- non-trade	1,119	8,809
	2,079	9,469
Amount owing to:		
- non-trade	(6,666)	-

The trade amount 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 received/settled in cash.

14. AMOUNT OWING BY AN ASSOCIATE

	THE GROUP/THE COMPANY	
	2012	2011
	RM'000	RM'000
Amount owing by:		
- trade	15,800	5,050
- non-trade	506	822
	16,306	5,872

The trade amount is subject to normal credit terms.

The non-trade amount owing is unsecured, interest-free and receivable on demand. The amount owing is to be received in cash.

15. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits with licensed banks are amounts of RM6,576,000 and RM5,553,000 of the Group and of the Company respectively (2011 - RM575,000 and RM553,000) which have been pledged to licensed banks for banking facilities granted to the Group and the Company.

As at 30 June 2012, the fixed deposits of the Group and the Company amounting to RM366,000 and RM333,000 respectively (2011 - RM857,000 and RM835,000) were held in trust by a director.

The weighted average effective interest rate per annum of the fixed deposits at the end of the reporting period was 2.98% (2011 - 2.55%). The fixed deposits have maturity periods ranging from 1 to 12 months (2011 - 1 to 12 months).

16. CASH AND BANK BALANCES

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

	THE GROUP/THE COMPANY	
	2012	2011
	RM'000	RM'000
Short-term cash investments	136	128

The short-term cash investments at the end of the reporting period bore effective interest rates ranging from 2.13% to 2.98% (2011 - 2.00% to 2.05%) per annum. The short-term cash investments have maturity periods of 30 days (2011 - 30 days).

Notes to the Financial Statements
for the Financial Year Ended 30 June 2012
cont'd

17. SHARE CAPITAL

	THE COMPANY			
	2012		2011	
	NUMBER OF SHARES '000	SHARE CAPITAL RM'000	NUMBER OF SHARES '000	SHARE CAPITAL RM'000
ORDINARY SHARES OF RM0.10 EACH:-				
AUTHORISED				
At 1 July/30 June	1,000,000	100,000	1,000,000	100,000
ISSUED AND FULLY PAID-UP				
At 1 July/30 June	601,051	60,105	601,051	60,105

18. TREASURY SHARES

	THE GROUP/THE COMPANY			
	2012		2011	
	NUMBER OF SHARES '000	SHARE CAPITAL RM'000	NUMBER OF SHARES '000	SHARE CAPITAL RM'000
At 1 July	372	158	372	158
Buy back	3,237	2,048	-	-
At 30 June	3,609	2,206	372	158

The Company purchased its own ordinary shares from the open market at an average price of RM0.63 per share. The total consideration paid for the purchase including transaction costs amounted to RM2,047,711. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965 in Malaysia.

As at end of the reporting period, the Company held 3,608,400 shares (2011 - 371,900 shares) as treasury shares out of its 601,051,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount RM2,205,938.

19. RETAINED PROFITS

Subject to agreement with the tax authorities, at the end of the reporting period, the Company has tax-exempt income of approximately RM43,375,000 (2011 – RM40,899,000) 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.

20. DEFERRED TAXATION

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
At 1 July	699	-	678	-
Recognised in the profit or loss (Note 31)	-	699	-	678
At 30 June	699	699	678	678

The deferred tax liabilities are attributable to the following:-

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Accelerated capital allowances over depreciation	139	139	118	118
Development costs	560	560	560	560
	699	699	678	678

The Group and the Company have not recognised the deferred tax liabilities for the following items:-

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Accelerated capital allowances over depreciation	4,409	4,007	2,975	3,232
Development costs	977	778	583	523
Unabsorbed losses	-	(475)	-	-
	5,386	4,310	3,558	3,755

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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2012
cont'd

21. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Hire purchase and finance lease payables (Note 22)	4,188	1,553	25	398
Term loans (Note 23)	3,385	5,222	3,385	5,222
	7,573	6,775	3,410	5,620

22. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Minimum hire purchase and lease payments:				
- not later than one year	2,218	1,713	387	1,439
- later than one year and not later than five years	4,487	1,769	25	412
	6,705	3,482	412	1,851
Less: Future finance charges	(588)	(293)	(14)	(102)
Present value of hire purchase and finance lease payables	6,117	3,189	398	1,749

The net hire purchase and finance lease payables are repayable as follows:

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current:				
- not later than one year (Note 27)	1,929	1,636	373	1,351
Non-current (Note 21):				
- later than one year and not later than five years	4,188	1,553	25	398
	6,117	3,189	398	1,749

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	
	2012	2011	2012	2011
Interest rate	6.58%	6.71%	6.47%	6.71%

23. TERM LOANS

	THE GROUP/THE COMPANY	
	2012	2011
	RM'000	RM'000
Current portion:		
- repayable within one year (Note 27)	2,136	2,136
Non-current portion:		
- repayable between one year to two years	1,655	2,136
- repayable between two years to five years	1,730	3,086
Total non-current portion (Note 21)	3,385	5,222
	5,521	7,358

Details of the term loans are as follows:-

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

The term loans are secured by:-

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

(ii) a pledge of 9,250,000 ordinary shares of My EG Sdn. Bhd.

The weighted average effective interest rate of the term loans at the end of the reporting period was 7.02% (2011 - 7.07%) per annum.

24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 0 to 90 days.

25. DEFERRED REVENUE

Deferred revenue represents 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 2012 cont'd

26. DIVIDENDS

	THE GROUP/THE COMPANY	
	2012	2011
	RM'000	RM'000
In respect of the financial year ended 30 June 2010:		
- a final tax-exempt dividend of 0.60 sen per ordinary share	-	3,604
In respect of the financial year ended 30 June 2011:		
- a first interim tax-exempt dividend of 0.50 sen per ordinary share	-	3,003
- 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	-
	6,594	6,607

27. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Hire purchase and finance lease payables (Note 22)	1,929	1,636	373	1,351
Term loans (Note 23)	2,136	2,136	2,136	2,136
	4,065	3,772	2,509	3,487

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 RM118,668,000 (2011 - RM99,966,000) divided by the number of ordinary shares in issue of 597,442,000 (2011 - RM600,679,000) excluding treasury shares held by the Company.

29. REVENUE AND COST OF SALES

THE GROUP	REVENUE RM'000 (NOTE 39)	COST OF SALES DIRECT RM'000	COST OF SALES INDIRECT RM'000	GROSS PROFIT RM'000
2012				
Electronic Government Services and related services	56,834	(3,168)	#	*
Enterprise solutions	10,090	-	#	*
	66,924	(3,168)	(6,136)	57,620
2011				
Electronic Government services and related services	48,153	(2,956)	#	*
Enterprise solutions	10,680	-	#	*
	58,833	(2,956)	(7,072)	48,805

There is no reasonable basis for allocation of indirect cost of sales to the respective revenue.
* Gross profit of segment is not shown due to the unallocated indirect cost of sales.

THE COMPANY	REVENUE RM'000	COST OF SALES DIRECT RM'000	COST OF SALES INDIRECT RM'000	GROSS PROFIT RM'000
2012				
Electronic Government services and related services	14,525	(1,088)	#	*
Enterprise solutions	13,010	-	#	*
	27,535	(1,088)	(2,332)	24,115
2011				
Electronic Government services and related services	37,184	(2,661)	#	*
Enterprise solutions	13,760	-	#	*
	50,944	(2,661)	(2,835)	45,448

There is no reasonable basis for allocation of indirect cost of sales to the respective revenue.
* Gross profit of segment is not shown due to the unallocated indirect cost of sales.

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

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

30. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Allowance for impairment losses on other receivables	-	1	-	1
Amortisation of development costs	887	904	521	724
Audit fee:				
- for the current financial year	84	65	60	42
- under/(over)provision in the previous financial year	15	(16)	8	(15)
Directors' fee	496	468	496	468
Directors' non-fee emoluments	16	28	16	28
Depreciation of equipment	7,846	6,268	5,864	5,573
Equipment written off	-	34	-	3
Interest expense:				
- hire purchase and finance lease	737	274	454	202
- term loans	88	304	88	304
- others	-	17	-	-
Loss on disposal of equipment	3	66	3	66
Preliminary expenses	5	-	-	-
Rental expense:				
- equipment	8	15	-	-
- parking	38	27	36	25
- premises	2,094	2,188	1,076	1,201
Staff costs:				
- salaries, wages, bonuses, incentive and allowances	8,695	7,388	4,502	4,541
- defined contribution plan	1,000	889	519	537
- other benefits	699	602	460	487
Dividend income from a subsidiary	-	-	-	(1,000)
Interest income	(32)	(113)	(29)	(110)

31. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current taxation:				
- for the current financial year	263	134	160	20
- under/(over)provision in the previous financial year	3	(3)	#	-
	266	131	160	20
Deferred taxation: (Note 20)				
- for the current financial year	-	20	-	-
- underprovision in the previous financial year	-	679	-	678
	-	699	-	678
	266	830	160	698

- represents an amount less than RM1,000.

The Company has been granted the MSC status, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investments Act, 1986 and enjoys full exemption from income tax on its statutory income from pioneer activities for five (5) years, from 18 July 2006 to 17 July 2012.

The pioneer status incentive expired on 17 July 2012 without any extension.

A subsidiary was granted the MSC Malaysia status on 27 April 2012, which qualifies the subsidiary for 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.

During the current financial year, the statutory tax rate is 25%.

A reconciliation of the 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 of the Company are as follows:-

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	27,610	22,960	703	23,850

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

31. INCOME TAX EXPENSE *(cont'd)*

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Tax at the applicable statutory tax rate of 25%	6,903	5,740	176	5,963
Tax effects of:-				
Non-taxable gains	-	(7)	-	(257)
Tax exempted income	(6,354)	(4,053)	(619)	(4,425)
Non-deductible expenses	795	449	406	274
Deferred tax not recognised due to pioneer status	(1,273)	(1,971)	-	(1,535)
Reversal of deferred tax liabilities not recognised in the previous financial year due to pioneer status	197	-	197	-
Under/(Over)provision in the previous financial year:				
- current taxation	3	(3)	#	-
- deferred taxation	-	679	-	678
Others	(5)	(4)	-	-
	266	830	160	698

- 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 RM27,344,000 (2011 - RM22,130,000) by the following weighted average number of ordinary shares in issue during the financial year excluding treasury shares held by the Company.

	THE COMPANY	
	2012	2011
	'000	'000
Issued ordinary shares at 1 July	600,967	600,967
Effect of share buy-back	(1,031)	-
Weighted average number of shares at 30 June	599,936	600,967

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

33. PURCHASE OF EQUIPMENT

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cost of equipment purchased	17,718	36,316	2,165	27,676
Amount financed through hire purchase and finance lease	(5,269)	(1,711)	-	(431)
Cash disbursed for purchase of equipment	12,449	34,605	2,165	27,245

34. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks (Note 15)	6,935	1,436	5,912	1,414
Cash and bank balances (Note 16)	2,887	3,898	1,064	3,446
	9,822	5,334	6,976	4,860

35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Company has controlling related party relationships with its subsidiaries as disclosed in Note 5 to the financial statements and an entity controlled by a key management personnel.

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

35. RELATED PARTY DISCLOSURES *(cont'd)*

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with the related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Sales to:				
A subsidiary				
MECSB	-	-	960	660
An associate				
MINT	7,410	6,030	10,750	8,450
Dividend income receivable from a subsidiary				
GVSB	-	-	-	1,000
Equipment transfer to a subsidiary				
EGSB	-	-	819	139
Equipment disposed to an associate				
MINT	5,000	-	5,000	-
Development costs transfer to:				
A subsidiary				
EGSB	-	-	1,409	336
An associate				
MINT	-	36	-	36
Professional fees charged by:				
Related party				
Embunaz Ventures Sdn. Bhd.*	192	192	192	192
Key management personnel compensation:				
Short-term employee benefits	802	1,009	787	889

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

36. COMMITMENTS

(a) Capital commitments

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
- purchase of equipment	1,302	3,441	-	235

(b) Operating lease commitments

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

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Not later than one year	1,092	1,475	686	1,258
Later than one year but not later than five years	444	878	228	819
	1,536	2,353	914	2,077

37. CONTINGENT LIABILITY

	THE COMPANY	
	2012	2011
	RM'000	RM'000
Corporate guarantee given to licensed banks for credit facilities granted to:		
- a subsidiary	2,475	-
- an associate	4,000	-
	6,475	-

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

38. DIRECTORS' REMUNERATION

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

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
- fees	376	348	376	348
- other emoluments	16	23	16	23
	392	371	392	371
Non-executive directors:				
- fees	120	120	120	120
- other emoluments	-	5	-	5
	512	496	512	496

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

	NUMBER OF DIRECTORS			
	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
EXECUTIVE DIRECTORS				
RM50,001 - RM100,000	-	-	-	-
RM100,001 - RM150,000	3	3	3	3
NON-EXECUTIVE DIRECTORS				
RM0 - RM50,000	-	1	-	1
RM50,001 - RM100,000	2	2	2	2

39. 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.

39. OPERATING SEGMENTS *(cont'd)*

Products and services information

	THE GROUP	
	2012	**2011**
	RM'000	**RM'000**
Electronic Government services and related services (Note 29)	56,834	48,153
Enterprise solutions (Note 29)	10,090	10,680
Total revenue	66,924	58,833

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 RM4,852,000 (2011 - RMnil) and RM13,350,000 (2011 - RM9,750,000) for sales generated under Electronic Government service and related services and enterprise solutions respectively.

40. 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.

(a) Financial Risk Management Policies

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

(i) Market Risk

(i) Foreign Currency Risk

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

(ii) Interest Rate Risk

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

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 40(a)(iii) to the financial statements.

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

40. FINANCIAL INSTRUMENTS *(cont'd)*

(a) Financial Risk Management Policies *(cont'd)*

(i) Market Risk *(cont'd)*

(ii) Interest Rate Risk (cont'd)

Interest rate risk sensitivity analysis

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

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	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)	11	(63)	3	(63)
Decrease of 100 bp	(11)	63	(3)	63
Effects on equity				
Increase of 100 bp	11	(63)	3	(63)
Decrease of 100 bp	(11)	63	(3)	63

(iii) Equity Price Risk

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

(ii) Credit Risk

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

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

40. FINANCIAL INSTRUMENTS *(cont'd)*

(a) Financial Risk Management Policies *(cont'd)*

(ii) Credit Risk *(cont'd)*

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by an associate, a major customer and a gateway service provider which constituted approximately 79% of its receivables as at the end of the reporting period.

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 as 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.

Ageing analysis

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

THE GROUP	GROSS AMOUNT 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	17,075	(#)	17,075
	27,872	(#)	27,872
2011			
Not past due	6,562	-	6,562
Past due:			
- less than 3 months	141	-	141
- 3 to 6 months	257	-	257
- over 6 months	6,200	(#)	6,200
	13,160	(#)	13,160

 # - represents an amount less than RM1,000.

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

40. FINANCIAL INSTRUMENTS *(cont'd)*

(a) Financial Risk Management Policies *(cont'd)*

(ii) Credit Risk *(cont'd)*

Ageing analysis *(cont'd)*

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

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 Groups uses ageing analysis to monitor the credit quality of the trade receivables.

(iii) Liquidity Risk

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

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

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000
2012					
Trade payables	-	7,660	7,660	7,660	-
Other payables and accruals	-	3,974	3,974	3,974	-
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
		23,272	24,483	16,300	8,183

40. FINANCIAL INSTRUMENTS *(cont'd)*

(a) Financial Risk Management Policies *(cont'd)*

(iii) Liquidity Risk *(cont'd)*

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000
2011					
Trade payables	-	3,105	3,105	3,105	-
Other payables and accruals	-	895	895	895	-
Dividend payable	-	3,003	3,003	3,003	-
Hire purchase and finance lease payables	6.71	3,189	3,482	1,713	1,769
Term loans	7.07	7,358	8,697	2,275	6,422
		17,550	19,182	10,991	8,191
THE COMPANY					
2012					
Trade payables	-	275	275	275	-
Other payables and accruals	-	3,731	3,731	3,731	-
Hire purchase and finance lease payables	6.47	398	412	387	25
Term loans	7.02	5,521	6,144	2,448	3,696
Amount owing to subsidiaries	-	6,666	6,666	6,666	-
		16,591	17,228	13,507	3,721

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

40. FINANCIAL INSTRUMENTS *(cont'd)*

(a) Financial Risk Management Policies *(cont'd)*

(iii) 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
2011					
Trade payables	-	2,950	2,950	2,950	-
Other payables and accruals	-	693	693	693	-
Dividend payable	-	3,003	3,003	3,003	-
Hire purchase and finance lease payables	6.71	1,749	1,851	1,439	412
Term loans	7.07	7,358	8,697	2,275	6,422
		15,753	17,194	10,360	6,834

(b) 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 shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

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

40. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Capital Risk Management *(cont'd)*

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

	THE GROUP	
	2012	**2011**
	RM'000	**RM'000**
Trade payables	7,660	3,105
Other payables and accruals	3,974	895
Dividend payable	-	3,003
Hire purchase and finance lease payables	6,117	3,189
Term loans	5,521	7,358
	23,272	17,550
Less: Fixed deposits with licensed banks	(6,935)	(1,436)
Less: Cash and bank balances	(2,887)	(3,898)
Net debt	13,450	12,216
Total equity	118,668	99,966
Debt-to-equity ratio	11.3	12.2

(c) Classification of Financial Instruments

	THE GROUP		THE COMPANY	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial asset				
Loans and receivables financial assets				
Trade receivables	12,072	8,110	3,618	5,825
Other receivables and deposits	6,480	6,462	4,567	4,257
Amount owing by subsidiaries	-	-	2,079	9,469
Amount owing by an associate	16,306	5,872	16,306	5,872
Fixed deposits with licensed banks	6,935	1,436	5,912	1,414
Cash and bank balances	2,887	3,898	1,064	3,446
	44,680	25,778	33,546	30,283

Notes to the Financial Statements for the Financial Year Ended 30 June 2012 cont'd

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Classification of Financial Instruments *(cont'd)*

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Financial liability				
Other financial liabilities				
Trade payables	7,660	3,105	275	2,950
Other payables and accruals	3,974	895	3,731	693
Amount owing to subsidiaries	-	-	6,666	-
Hire purchase and finance lease payables	6,117	3,189	398	1,749
Term loans	5,521	7,358	5,521	7,358
Dividend payable	-	3,003	-	3,003
	23,272	17,550	16,591	15,753

(d) Fair Values of Financial Instruments

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

(i) 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.

(ii) The carrying amounts of the hire purchase and lease and term loans approximated their fair values as it is a floating rate instrument that is repriced to the market interest rate on or near the end of the reporting period.

(e) Fair Value Hierarchy

As at 30 June 2012, there were no financial instruments carried at fair values.

41. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits 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	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Total retained profits:				
- realised	59,649	35,159	30,913	36,964
- unrealised	699	699	678	678
	60,348	35,858	31,591	37,642
Total share of accumulated losses of associates:				
- realised	(400)	(400)	-	-
- unrealised	-	-	-	-
	59,948	35,458	31,591	37,642
Less: Consolidation adjustments	821	4,561	-	-
At 30 June	60,769	40,019	31,591	37,642

List of Properties
As at 30 June 2012

The Company does not own any properties as at 30 June 2012

Analysis of Shareholdings
As at 9 November 2012

Authorised Share Capital	: RM100,000,000.00
Issued and Paid-Up Capital	: RM59,631,540 (excluding 4,735,600 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	: 3,709

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% #	No. of Shares	% #
Less than 100	35	0.94	1,152	0.00
100 to 1,000	838	22.60	324,605	0.05
1,001 to 10,000	1,687	45.48	10,220,620	1.71
10,001 to 100,000	963	25.96	31,718,040	5.32
100,001 – less than 5% of issued shares	181	4.88	328,430,683	55.08
5% and above issued shares	5	0.14	225,620,300	37.84
Total	**3,709**	**100.00**	**596,315,400**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

	No. of Shares Held			
Name of Substantial Shareholders	Direct Interest	% #	Indirect Interest	% #
Wong Thean Soon	50,426,006	8.46	189,657,998 [1]	31.80
Dato' Raja Haji Munir Shah Bin Raja Mustapha	409,900	0.07	189,657,998 [1]	31.80
Asia Internet Holdings Sdn Bhd	174,195,999	29.21	-	-
Utilico Emerging Markets Limited	49,069,900 [2]	8.23	-	-
Edisi Firma Sdn Bhd	36,925,140	6.19	-	-
Mawer Investment Management Limited	36,419,400	6.11	-	-
Brahmal A/L Vasudevan	14,000,000	2.35	16,000,000 [3]	2.68
Ban Swan Gek	264,000	0.04	36,925,140 [4]	6.19

Notes:

 # Excluding a total of 4,735,600 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 held through the HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (Bermuda)

3 Shares held through the Pacific Straits Holdings

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

Analysis of Shareholdings
As at 9 November 2012
cont'd

DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares Held			
	Direct Interest	% #	Indirect Interest	% #
Dato' Dr Norraesah Binti Haji Mohamad	6,960,000	1.17	-	-
Wong Thean Soon	50,426,006	8.46	189,657,998 [1]	31.80
Dato' Raja Haji Munir Shah Bin Raja Mustapha	409,900	0.07	189,657,998 [1]	31.80
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	-	-	-	-

Notes:
 # Excluding a total of 4,735,600 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*	66,230,000	11.106
2.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (Bermuda)*	49,069,900	8.228
3.	HSBC Nominees (Tempatan) Sdn Bhd *Exempt An for Credit Suisse (SG BR-TST-TEMP)*	44,000,000	7.378
4.	Cartaban Nominees (Asing) Sdn Bhd *Exempt An for RBC Investor Services Trust (Clients Account)*	36,419,400	6.107
5.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn Bhd (MGN-AIH0001M)*	29,901,000	5.014
6.	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Edisi Firma Sdn Bhd (MG0065-195)*	26,925,140	4.515
7.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Thean Soon*	23,048,000	3.865
8.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Thean Soon*	20,000,000	3.353
9.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Credit Suisse (SG BR-TST-ASING)*	16,761,280	2.810
10.	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn. Bhd. (MG0168-195)*	16,752,000	2.641
11.	Asia Internet E-Services Holdings Sdn. Bhd.	15,461,999	2.592

Analysis of Shareholdings
As at 9 November 2012
cont'd

TOP THIRTY (30) SHAREHOLDERS *(cont'd)*

No.	Names	No. of Shares	%
12.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (NORGES BK LEND)*	14,494,000	2.430
13.	Cartaban Nominees (Asing) Sdn Bhd *BBH (LUX) Sca for Fidelity Funds Asean*	13,925,700	2.335
14.	Jason Chan Ling Khee	11,069,599	1.856
15.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Brahmal A/L Vasudevan (M96015)*	10,010,000	1.678
16.	Edisi Firma Sdn. Bhd.	10,000,000	1.676
17.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Asia Internet Holdings Sdn Bhd (MY0409)*	9,845,000	1.650
18.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Wong Thean Soon (MY0691)*	7,200,000	1.207
19.	Cartaban Nominees (Asing) Sdn Bhd *SSBT Fund VAAS for Vanderbilt University*	7,158,500	1.200
20.	Ahmad Fahmi Yahya Bin Osman	6,600,000	1.106
21.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn. Bhd.*	6,600,000	1.106
22.	Norraesah Binti Mohamad	6,520,000	1.093
23.	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Hong Sing (MG0120-195)*	5,662,000	0.949
24.	Empayar Technologies Sdn Bhd	5,650,800	0.947
25.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (Norges BK)*	5,396,000	0.904
26.	Then Pei Kee	5,155,000	0.864
27.	HSBC Nominees (Asing) Sdn Bhd *HSBC-FS I for JF Eastern Smaller Companies Fund*	5,147,700	0.863
28.	EG Industries Berhad	4,380,600	0.734
29.	Brahmal A/L Vasudevan	3,990,000	0.669
30.	HSBC Nominees (Asing) Sdn Bhd *Exempt An For The Bank of New York Mellon (Mellon Acct)*	3,621,800	0.607

Notice of the Twelfth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of MY E.G. SERVICES BERHAD will be held at Banyan & Casuarina Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 19 December 2012 at 10.30 a.m. for the following purposes:

AGENDA

1. To lay the Audited Financial Statements for the financial year ended 30 June 2012 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note A***

2. To approve a final tax-exempt dividend of 0.9 sen per ordinary share in respect of the financial year ended 30 June 2012. ***Ordinary Resolution 1***

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

   3.1 Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim ***Ordinary Resolution 2***
   3.2 Datuk Mohd Jimmy Wong Bin Abdullah ***Ordinary Resolution 3***

4. To approve the payment of Directors' fees for the financial year ended 30 June 2012. ***Ordinary Resolution 4***

5. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

AS SPECIAL BUSINESS

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

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

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

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

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

(i) the aggregate number of shares which may be purchased and/or held by the Company shall be equivalent to ten per-centum (10%) of the issued and paid-up share capital of the Company ("Shares") for the time being;

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total retained profits of the Company. As at 30 June 2012, the audited retained profits of the Company were approximately RM37.591 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."

Notice of the Twelfth Annual General Meeting cont'd

8. **Proposed Amendments to the Articles of Association** ***Special Resolution***

"That the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix I attached with the Annual Report for the financial year ended 30 June 2012 be and are hereby approved."

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT the final tax-exempt dividend of 0.9 sen per ordinary share in respect of the financial year ended 30 June 2012, if approved by the shareholders at the Twelfth Annual General Meeting, will be paid on 25 January 2013 to Depositors whose names appear in Record of Depositors at the close of business on 7 January 2013.

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 2013 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 2012

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.

Notice of the Twelfth Annual General Meeting cont'd

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 10 December 2012 (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 6
Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue shares and allot up to a maximum of ten per centum (10%) of the issued share capital of the Company (excluding treasury shares) at the time of such allotment and issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next 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 15 December 2011 and hence no proceeds were raised therefrom.

Ordinary Resolution 7
Proposed Renewal of Authority for Purchase of Own Shares by the Company

The proposed Ordinary Resolution 7 if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up 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 2012 for further information.

Special Resolution
Proposed Amendments to the Articles of Association

The Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities.

Notice of the Twelfth Annual General Meeting
cont'd

APPENDIX I

SPECIAL RESOLUTION

- Amendments to the Articles of Association
The Articles of Association of the Company are to be amended in the following manner:

Article No.	Existing Articles	Amended Articles
To amend Article 2	WORDS MEANINGS *New definition* *New definition*	WORDS MEANINGS Exempt Authorised Nominee: An authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act 1991. Share Issuance Scheme: Means a scheme involving a new issuance of shares to the employees
To amend Article 3 (b)(i)	**Shares** Paragraph 1 of this Article shall be subject to the following restrictions, that is to say:- (i) Unless otherwise allowed under applicable laws and guidelines, no Director or persons connected with that Director shall participate in an issue of shares or options to employees of the Company unless the shareholders in general meetings have approved of the specific allotment to be made to such Director or that persons connected with the Directors, as the case may be. For the purpose of this Article, "person connected" shall have the meaning prescribed to it in the MMLR.	**Shares** Paragraph 1 of this Article shall be subject to the following restrictions, that is to say:- (i) Unless otherwise allowed under applicable laws and guidelines, no Director or persons connected with that Director shall participate Share Issuance Scheme unless the shareholders in general meetings have approved of the specific allotment to be made to such Director or that persons connected with the Directors, as the case may be. For the purpose of this Article, "person connected" shall have the meaning prescribed to it in the Listing Requirements.

Article No.	Existing Articles	Amended Articles
To amend Article 63	**More than two proxies** (a) At any general meeting, each member shall be entitled to attend and vote in person may appoint up to two (2) proxies or attorneys or authorised representatives. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy. On a show of hands, every person present who is a member or proxy or attorney or authorised representative shall have one (1) vote and on a poll, every member present in person or by proxy shall have one (1) vote for each ordinary share held. (b) Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of such securities account. (c) *(New provision)*	**More than two proxies** (a) At any general meeting, each member shall be entitled to attend and vote in person may appoint up to two (2) proxies or attorneys or authorised representatives. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy. On a show of hands, every person present who is a member or proxy or attorney or authorised representative shall have one (1) vote and on a poll, every member present in person or by proxy shall have one (1) vote for each ordinary share held. <u>If a member appoints two (2) proxies, he must specify which proxy is entitled to vote on a show of hands as only one (1) of those proxies is entitled to vote on a show of hands.</u> (b) <u>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.</u> (c) <u>A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting.</u>
To amend Article 64	**Proxy to be in writing** The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company. *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.* The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll.	**Proxy to be in writing** The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company. <u>There shall be no restriction as to the qualification of the proxy and the proxy so appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting.</u> The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll.

Notice of the Twelfth Annual General Meeting
cont'd

Article No.	Existing Articles	Amended Articles
To amend Article 66	**Instrument appointing proxy to be deposited** 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 authority shall be deposited at the registered office of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, *or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.*	**Instrument appointing proxy to be deposited** 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 authority shall be deposited at the registered office of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
To amend Article 70	**Eligible for re-election** No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless some Member(s) intending to propose him for election has, at least eleven (11) clear days before the meeting left at the Office a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, PROVIDED THAT in the case of a person recommended by the Directors for election, only nine (9) clear days' notice shall be necessary, and notice of each and every candidature of election to the Board of Directors shall be served on the Members at least seven (7) clear days prior to the meeting at which the election is to take place.	**Eligible for re-election** No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless some Member(s) intending to propose him for election has, at least eleven (11) clear days before the meeting left at the Office a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, PROVIDED THAT in the case of a person recommended by the Directors for election, only nine (9) clear days' notice shall be necessary, and notice of each and every candidature of election to the Board of Directors shall be served on the Members at least seven (7) clear days prior to the meeting at which the election is to take place. <u>The cost of serving the notice to propose the election of a Director where the nomination is made by a member or members shall be borne by the member or members making the nomination.</u>

Article No.	Existing Articles	Amended Articles
To amend Article 108	**Serving of notice on Directors** Subject to the provisions of any written law, notices of meetings to be served on Directors under these Articles may be served by the Company to any Director either personally or by sending it through the post in a prepaid letter addressed to such a Director at his address as reflected in the Register of Directors. Any notice if served or sent by post, shall be deemed to have been served or delivered one (1) day after the time when the letter containing the same is put into the post, and in proving such service, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter.	**Serving of notice on Directors** Subject to the provisions of any written law, notices of meetings to be served on Directors under these Articles may be served by the Company to any Director either personally or by sending it through the post in a prepaid letter addressed to such a Director at his address as reflected in the Register of Directors or the notice may be by hand, facsimile transmission, electronic mail or other electronic communications to the Directors. Any notice if served or sent by post, shall be deemed to have been served or delivered one (1) day after the time when the letter containing the same is put into the post, and in proving such service, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter.
To amend Article 140	**How notices to be served to members** Subject to the provisions of the written law, a notice or any other document under these Articles may be served by the Company upon any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at this registered address as appearing in the Register of Members or the Record of Depositors or (if he has no registered address within Malaysia) to the address if any within Malaysia supplied by him to the Company for the giving notices to him. Any Member described in the Register of Members and Record of Depositors and subject to the foregoing provision in this Article by an address not within Malaysia shall from time to time give the Company an address within Malaysia at which notices may be served upon him. Only Members described in the Register shall be entitled to receive any notice from the Company. Any notice or other documents if served or sent by post, shall be deemed to have been served or delivered one day after the time when the letter containing the same is put into the post, and in proving such service or sending it, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter.	**How notices to be served to members** Subject to the provisions of the written law, a notice or any other document under these Articles may be served by the Company upon any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at this registered address as appearing in the Register of Members or the Record of Depositors or (if he has no registered address within Malaysia) to the address if any within Malaysia supplied by him to the Company for the giving notices to him. Any Member described in the Register of Members and Record of Depositors and subject to the foregoing provision in this Article by an address not within Malaysia shall from time to time give the Company an address within Malaysia at which notices may be served upon him. Only Members described in the Register shall be entitled to receive any notice from the Company. Any notice or other documents if served or sent by post, shall be deemed to have been served or delivered one day after the time when the letter containing the same is put into the post, and in proving such service or sending it, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter. The accidental omission to give any notice or any meeting to or the non-receipt of any such notice by any of the Members shall not invalidate the proceedings at any general meeting or any resolution passed thereat.

[End of Appendix I]

Statement Accompanying Notice of Annual General Meeting

1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION

The Directors standing for re-election at the Twelfth Annual General Meeting are as follows:

(a)	Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	Retiring pursuant to Article 69 of the Company's Articles of Association
(b)	Datuk Mohd Jimmy Wong Bin Abdullah	Retiring pursuant to Article 69 of the Company's Articles of Association

2. FURTHER DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION

(a) Details of the above Directors who are standing for re-election are set out in the Directors' Profile appearing on pages 13 to 16 of this Annual Report.

(b) The direct and indirect shareholdings of the above Directors who are standing for re-election are set out in the Analysis of Shareholdings on page 97 of this Annual Report.

3. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

Five (5) Board meetings were held during the financial year ended 30 June 2012. Details of the attendance of each Director are set out in the Statement on Corporate Governance appearing on page 18 of this Annual Report.

4. PLACE, DATE AND TIME OF TWELFTH ANNUAL GENERAL MEETING

The Twelfth Annual General Meeting of the Company will be convened and held at Banyan & Casuarina Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 19 December 2012 at 10.30 a.m.

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 Twelfth Annual General Meeting of the Company, to be held at Banyan & Casuarina Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 19 December 2012 at 10.30 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:

	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To approve the Final Tax-Exempt Dividend		
2	To re-elect Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim		
3	To re-elect Datuk Mohd Jimmy Wong Bin Abdullah		
4	To approve the payment of Directors' fees for the financial year ended 30 June 2012		
5	To re-appoint Messrs Crowe Horwath as Auditors of the Company		
6	To approve the Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
7	To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company		
8	To approve the Proposed Amendments to the Articles of Association		

Dated this _____ day of _____ 2012

_____
Signature/Common Seal of Shareholder

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:

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 10 December 2012 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
MY E.G. SERVICES BERHAD
(505639-K)
Lot 6.05, Level 6, KPMG Tower,
8 First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan.

1st fold here

My E.G. Services Berhad (505639-K)
Lot 8.02, Level 8, 1 First Avenue
Persiaran Bandar Utama,
Bandar Utama, 47800 Petaling Jaya, Selangor.
Tel : 03-7801 8888 Fax: 03-7801 8889
Director Fax : 03-77120202

Registered Office:
Lot 6.05, Level 6, KPMG Tower
8 First Avuenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

14 December 2012

To: Our Shareholders

Dear Sir/Madam,

ADDENDUM TO THE NOTICE OF TWELFTH ANNUAL GENERAL MEETING ("12TH AGM")

We wish to draw the attention of the shareholders of My E.G. Services Berhad ("MYEG" or the "Company") to the Notice of 12th AGM of MYEG which was despatched to the Shareholders of the Company on 27 November 2012.

We wish to inform that an amendment has been made to the proposed Amended Article 63(a) under Appendix I – Amendments to the Articles of Association, to read as follows:-

"At any general meeting, each member shall be entitled to attend and vote in person may appoint up to two (2) proxies or attorneys or authorised representatives. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy. On a show of hands, every person present who is a member or proxy or attorney or authorised representative shall have one (1) vote and on a poll, every member present in person or by proxy shall have one (1) vote for each ordinary share held."

In view of the above amendment, the existing Article 63(a) under Appendix I – Amendments to the Articles of Association shall remain unchanged.

This addendum is dated 14 December 2012.