



www.myeq.com.my

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



**corporate office:**  
Lot 5.01, Level 5, KPMG Tower,  
No. 8, First Avenue, Persiaran Bandar Utama,  
Bandar Utama, 47800 Petaling Jaya,  
Selangor Darul Ehsan  
Tel : 03-7801 1688 Fax : 03-7801 1788  
email : investors@myeq.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

MY E.G. SERVICES BERHAD (company NO. 505639-K) • annual report 2010

annual report  
2010

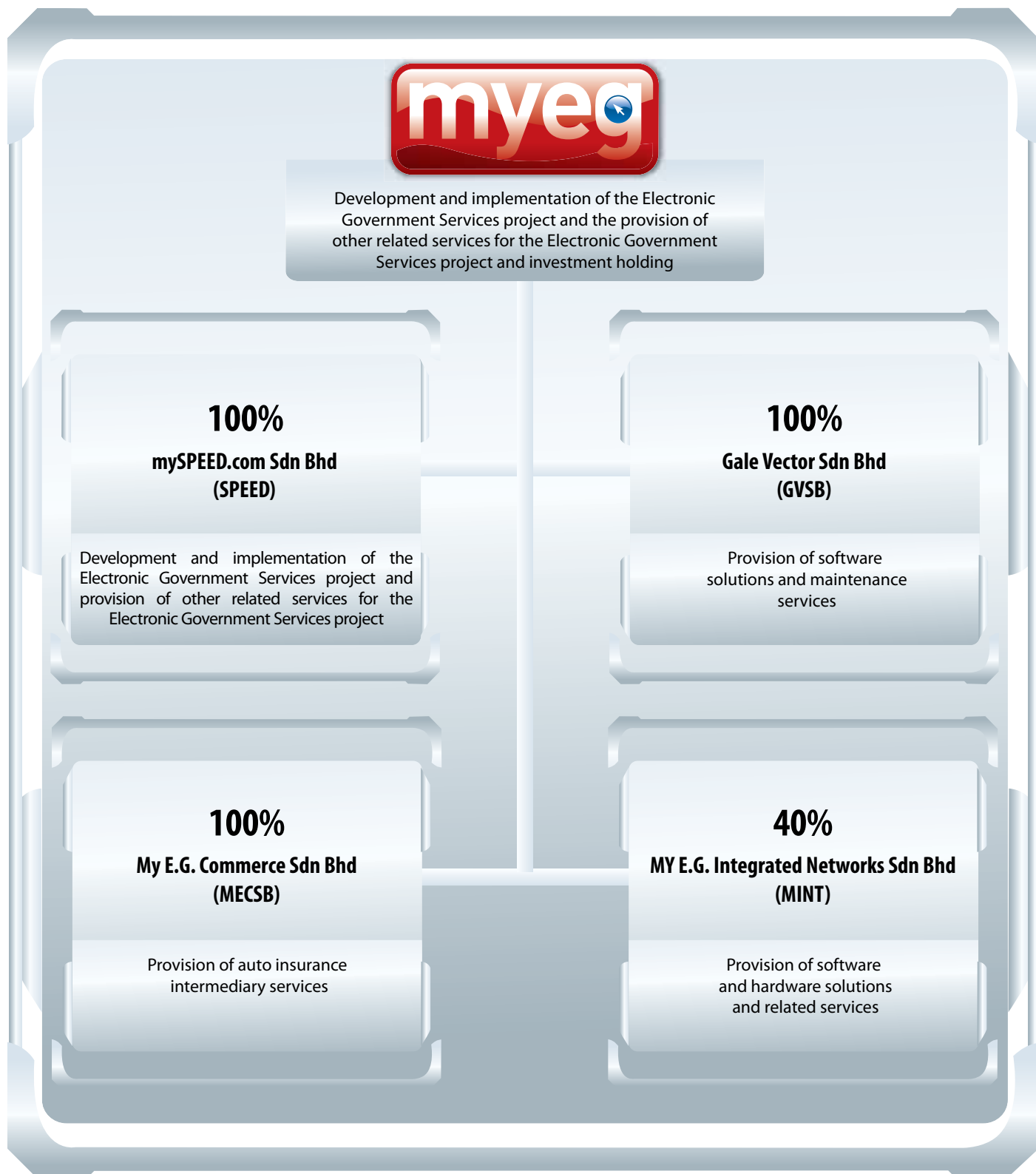


## Table of CONTENTS

Corporate Structure	2	<b><u>FINANCIAL STATEMENTS</u></b>	
Corporate Information	3	Directors' Report	30
Financial Highlights	4	Statement by Directors	34
Share Price Performance	6	Statutory Declaration	34
Chairman's Statement	7	Independent Auditors' Report	35
Business Review	10	Balance Sheets	37
Events Highlight	12	Income Statements	39
Directors' Profile	13	Statements of Changes in Equity	40
Corporate Governance Statement	17	Cash Flow Statements	42
Audit Committee Report	22	Notes to the Financial Statements	44
Statement on Internal Control	26	List of Properties	76
Additional Compliance Information	28	Analysis of Shareholdings	77
		Notice of the Tenth Annual General Meeting	80
		Statement Accompanying Notice of Annual General Meeting	83
		Proxy Form	

DOWNLOADING ■■■■

## CORPORATE STRUCTURE



## CORPORATE INFORMATION

**DIRECTORS**

Dato' Dr Norraesah Binti Haji Mohamad  
(Executive Chairman)

Wong Thean Soon  
(Managing Director)

Raja 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  
No. 8, First Avenue  
Persiaran Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7720 1188  
Fax: 03-7720 1111

**CORPORATE HEAD OFFICE**

Lot 5.01, Level 5, KPMG Tower  
No. 8, First Avenue  
Persiaran Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7801 1688  
Fax: 03-7801 1788  
Email: [investors@myeg.com.my](mailto:investors@myeg.com.my)  
Website: [www.myeg.com.my](http://www.myeg.com.my)

**AUDITORS**

Crowe Horwath (AF 1018)  
Level 16 Tower C, Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel: 03-2166 0000  
Fax: 03-2166 1000

**SHARE REGISTRAR**

Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Selangor Darul Ehsan  
Tel: 03-7481 8000  
Fax: 03-7841 8150/8151

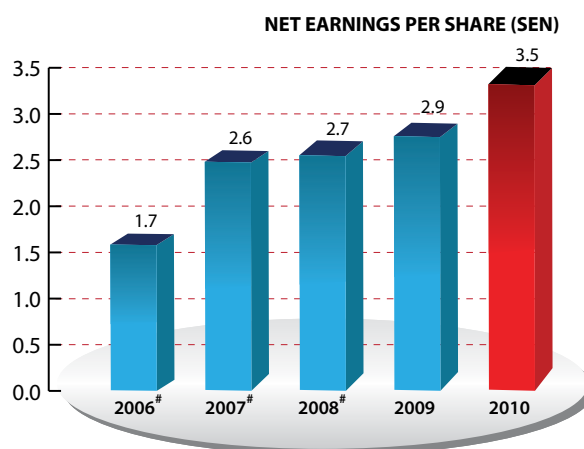
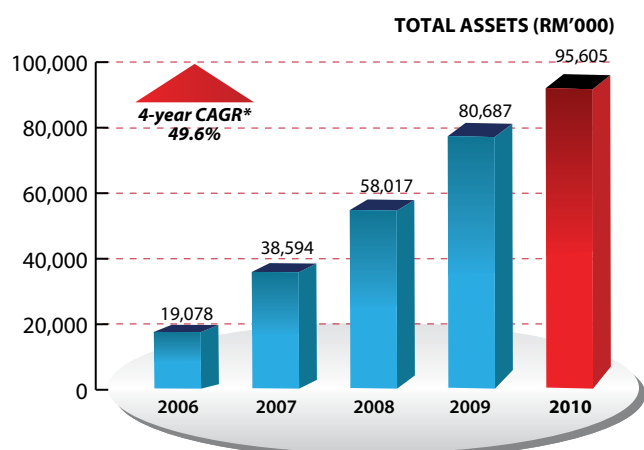
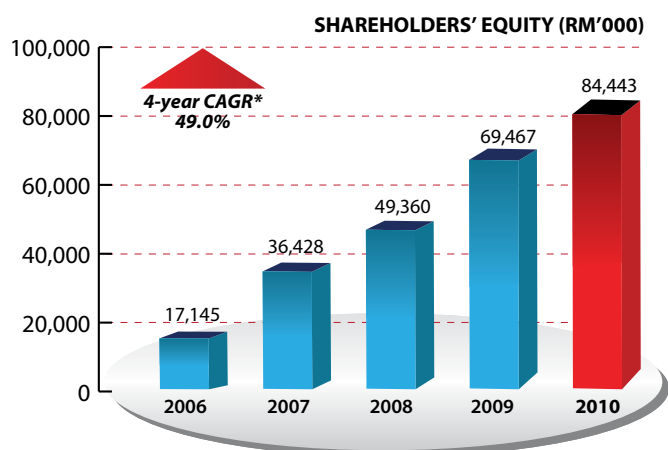
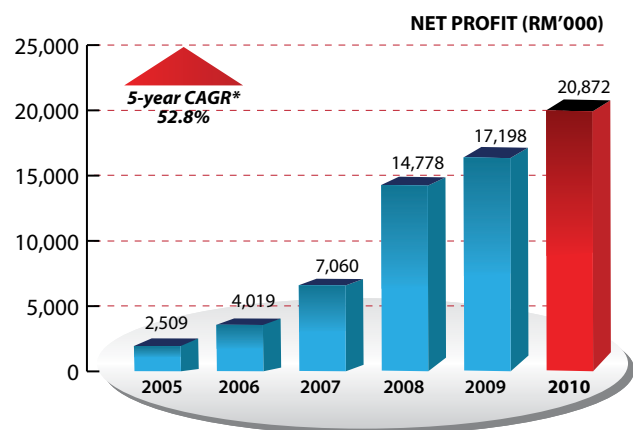
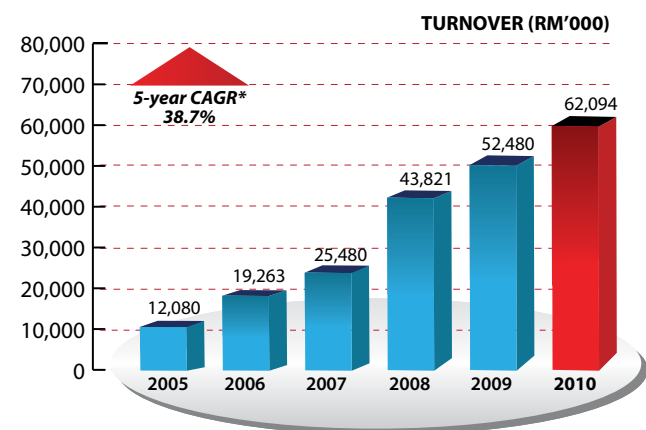
**PRINCIPAL BANKERS**

RHB Bank Berhad  
Malayan Banking Berhad  
Public Bank Berhad

**STOCK EXCHANGE LISTING**

Main Market of Bursa Malaysia Securities Berhad  
Stock Code: 0138

## FINANCIAL HIGHLIGHTS



\* CAGR = Compounded Annual Growth Rate.  
<sup>#</sup> 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)

	2005	2006	2007	2008	2009	2010
Turnover	12,080	19,263	25,480	43,821	52,480	62,094
EBITDA <sup>^</sup>	3,153	4,713	8,547	17,678	21,937	26,749
Profit Before Tax	2,540	4,118	7,117	14,825	17,315	21,009
Net Profit	2,509	4,019	7,060	14,778	17,198	20,872

## Summarized Group Balance Sheets As At 30 June (RM '000)

	2006	2007	2008	2009	2010
Equipment	3,946	8,658	17,479	33,595	39,995
Development Costs	4,601	5,527	7,009	8,732	10,113
Goodwill on Consolidation	2,601	2,601	12,022	12,022	12,016
Current Assets	7,930	21,808	21,507	26,338	33,481
Current Liabilities	1,854	1,740	3,489	7,101	6,976
Net Current Assets	6,076	20,068	18,018	19,237	26,505
	17,224	36,854	54,528	73,586	88,629
Financed By:					
Share Capital	10,075	12,625	25,250	60,105	60,105
Share Premium	-	9,673	-	-	-
Treasury Shares	-	-	-	-	(158)
Retained Profits	7,070	14,130	24,110	9,362	24,496
Shareholders' Equity	17,145	36,428	49,360	69,467	84,443
Minority Interests	66	87	80	46	-
	17,211	36,515	49,440	69,513	84,443
Non-Current Liabilities					
Long-Term Borrowings	-	331	5,081	4,067	4,186
Taxation	13	8	7	6	-
	17,224	36,854	54,528	73,586	88,629

## Financial Analysis

	2006	2007	2008	2009	2010
Turnover Growth	59.5%	32.3%	72.0%	19.8%	18.3%
Profit Before Tax Growth	62.1%	72.8%	108.3%	16.8%	21.3%
Net Profit Growth	60.2%	75.7%	109.3%	16.4%	21.4%
Pre-tax Profit Margin	21.4%	27.9%	33.8%	33.0%	33.8%
Net Profit Margin	20.9%	27.7%	33.7%	32.8%	33.6%
Total Assets (RM '000)	19,078	38,594	58,017	80,687	95,605
Gearing (Net of Cash) (Times)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
Cash and Cash Equivalents (RM '000)	2,277	15,681	11,269	14,560	8,825
Return on Average Equity	26.6%	26.4%	34.5%	28.9%	27.1%
Return on Average Total Assets	23.5%	24.5%	30.6%	24.8%	23.7%
Net Tangible Assets Per Share (Sen)	9.9	22.4	12.0	8.1	10.4
Net Earnings Per Share (Sen)	1.7 <sup>#</sup>	2.6 <sup>#</sup>	2.7 <sup>#</sup>	2.9	3.5

<sup>^</sup> EBITDA= Earnings Before Interest, Taxes, Depreciation and Amortization.

<sup>#</sup> Adjusted for 6-for-5 bonus issue on 24 December 2008.



## SHARE PRICE PERFORMANCE

For the period 3 July 2009 to 18 November 2010



### Share Price Information

Record High	RM0.88 (22 June 2010)
Closing Price as at 18 November 2010	RM0.77

### Market Value Ratios as at 18 November 2010

Historical PE Multiple	22.0x
Price/Book Ratio	7.4x

## CHAIRMAN'S STATEMENT



*Dear Shareholders,  
The Board of Directors of My E.G. Services Berhad ("MYEG" or "the Company") is pleased to present the Company's Annual Report and financial statements for the financial year ended 30 June 2010 ("FY2010").*

The year under review saw MYEG reaffirming our position as a major Malaysia's e-Government service provider. We remain committed to pursuing and implementing various initiatives to facilitate hassle-free and timely online transactions between members of the public and the Government.

In this respect, we have noted a considerable increase in e-Government transactions among the Malaysian public in the year under review. Indeed, this encouraging upward trend bodes well not only for the Group's performance, but more importantly for the Government's objective of building an IT-savvy population.

### FINANCIAL PERFORMANCE

Group revenue grew a healthy 18.3% to RM62.1 million in FY2010, from RM52.5 million in the previous year. It is also noteworthy that MYEG saw a steady growth trend in group revenue in every quarter, which indicates the rising adoption of our e-Government services nationwide. We believe that

the improving top line shows that the Group's Advertising & Promotion ("A&P") campaign has indeed borne fruit in helping create greater awareness of the online services we provide that lead to increased utilization of our [www.myeg.com.my](http://www.myeg.com.my) portal to conduct e-Government transactions.

Group pre-tax profit showed a commendable 21.3% growth to RM21.0 million compared to RM17.3 million in the preceding year. The net profit of the Group registered a net increase of 21.4% from RM17.2 million from the previous financial year to RM20.9 million in the year under review. The introduction of new value added services also contributed to this improved profitability. Earnings per share stood at 3.5 sen in FY2010, versus 2.9 sen in the preceding year.

Over the years, the group revenue traced a commendable compounded annual growth rates ("CAGR") of 38.7% from FY2005 to FY2010 while the group net profit CAGR registered a robust CAGR of 52.8% in the same period.

Shareholders' equity as at 30 June 2010 amounted to RM84.4 million, as compared to RM69.5 million in the previous year. The Group's total borrowings increased from RM5.8 million in previous year to RM 6.9 million as at 30 June 2010, in line with larger capital expenditure needed for our geographical expansion in the year under review. Despite that, the Group remains in net cash position with a strong balance sheet and sturdy cash flow.



## CHAIRMAN'S STATEMENT *cont'd*

With our excellent track record, the Board is pleased to propose for shareholders' approval at the upcoming Annual General Meeting a final tax exempt dividend of 0.6 sen per share in respect of FY2010. An interim dividend of 0.5 sen per share was paid on 23 April 2010.

Assuming that the approval of the final dividend is obtained from shareholders, the Group would have declared total dividends of 1.1 sen per share in respect of FY2010, which translates into dividend payout of RM6.62 million for the year under review, or 31.7% of the Group's net profit. This would thus continue our track record of adhering to our dividend policy of distributing a minimum 30% of net profits to shareholders. The Board is appreciative of shareholders' continuous support.

### CORPORATE DEVELOPMENTS

#### • **Incorporation of My E.G Integrated Networks Sdn Bhd ("MINT")**

On 4 December 2009, MYEG completed the subscription of 4 ordinary shares of RM1.00 each representing 40% of the issued and paid-up share capital of MYEG Integrated Networks Sdn Bhd ("MINT") for a total cash consideration of RM4.00, thus making MINT an associate company of MYEG.

The subscription is in line with MYEG's ordinary course of business which is the development and implementation of Electronic Government projects and provision of other related services for Electronic Government Services. MINT has not commenced operations to date.

#### • **Disposal of 54.5% equity Interest in PDX.net Sdn Bhd ("PNSB")**

On 23 February 2010, the Company disposed of 54 ordinary shares of RM1.00 each representing 54.5% of the issued and paid-up share capital of PNSB to Berani Jitu Sdn Bhd. The disposal consideration of RM40 000 was conducted on willing-buyer willing-seller basis after taking into consideration the unaudited net assets of PNSB for the financial period ended 31 December 2009.

The disposal provides an opportunity for MYEG to realise our investment in PNSB and to streamline the Group's activities which is principally the provision of online e-Government services.

### FUTURE OUTLOOK

The adoption rate for e-Government transactions in Malaysia has been increasing significantly each year and we believe the domestic market holds much potential for growth. The growth trend can be expected in light of the Government's continued focus on attaining 50% in household broadband penetration.

Under the National Broadband Initiative, the Government has established several milestones to achieve this goal. These include the rolling out of broadband infrastructure and services throughout the country, as well as the upgrading of current broadband services to provide higher speed of 10Mbps under the High Speed Broadband project. In tangent with this, the Government is also committed to create greater awareness of the benefits of broadband, and improve the affordability of broadband services to encourage its adoption by a wider segment of the population.



Indeed, this farsighted government policy would impact favourably and positively on MYEG, and provide the impetus for us to position ourselves prominently as Malaysia's e-Government service provider. To this end, we will adopt a three-pronged approach towards achieving our goal:

- i) Maintain our focus on introducing new e-Government services, both for Government departments in our existing portfolio, as well as those who have yet to adopt the online approach
- ii) Expand our geographical reach to make e-Government services more accessible in Peninsular and East Malaysia
- iii) Continue our high-impact marketing campaign to achieve strong 'brand recall' amongst our target markets, and be synonymous with highly efficient e-Government services in Malaysia

We believe that these measures would help us continue with the track record achieved over the past decade, and build an even strong platform to sustain the Group's performance in the future.

## CHAIRMAN'S STATEMENT *cont'd*



### CORPORATE SOCIAL RESPONSIBILITY

The Group perceives its corporate social responsibility as a vital part in business sustainability. Each year has seen the Group being mindful of the need to care for the larger community in a holistic manner, and the year under review has been no different.

One of the Group's present initiatives is to sponsor the 1StepForward program where we invite ideas and proposals for projects that will contribute to the improvement of the lives of Malaysians. A sum of RM500,000.00 has been allocated for the implementation of the winning project. We believe that such an initiative will successfully match innovative ideas with implementation support from MYEG culminating in platforms that can actually play a role in raising the quality of lives of Malaysians.

At the same time, we are constantly looking into the overall welfare of our staffs by adopting various health and safety policies and programmes. We also provide various training programmes to enhance employees' knowledge and skills. We have recently introduced an education subsidy scheme to encourage the staffs to continually upgrade their knowledge and skills.

As a responsible corporate citizen, ongoing donations are to be made to various communities and charitable organization, be it in cash or in kind.

### CORPORATE GOVERNANCE

The primary concern of the Board has been, and will continue to be, the effective governance and high standard of its practices on behalf of all shareholders. We believe sustaining this principle within the Group's daily activities would boost the shareholders' value. A review of the Group's corporate governance policies is included in this Annual Report.

### ACKNOWLEDGEMENTS

As we celebrate our 10th year of operations, we at MYEG are proud to have accomplished many milestones along our journey. We owe this success to the entire MYEG team.

I would like to thank the members of the Board, management and employees of MYEG for the commitment and untiring contributions to the Group's success story. Our appreciation also goes to our respected shareholders, business partners, bankers and clients for the staunch support rendered through the years.

We would also like to acknowledge with deepest gratitude the various Government agencies and the authorities for the opportunities and trust given to us in providing the e-Government transaction platform to the public.

We look forward to the future together with you.

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



## BUSINESS REVIEW

### OPERATIONS REVIEW

For the financial year under review, the Group achieved revenue of RM62.1 million, compared with RM52.5 million in the previous year.

The healthy top line growth of 18.3% year-on-year was predominantly the result of the public's greater adoption of our e-Government services. In particular, we continue to see a steady improvement in the number of transactions for our online renewal for road tax and auto insurance services. We believe this uptrend demonstrates the public's growing acceptance for these innovative services, thereby creating a larger captive market for the Group.

In addition, management also believes that the rising revenue indicates the effectiveness of the Group's aggressive awareness-creation efforts undertaken throughout the year. Our Advertising and Promotion ("A&P") campaign in FY2010 included strategic sponsorships on prime time television slots primarily during the 2010 FIFA World Cup and throughout the English Premier League football season, online advertising, engagement with the target market via social networking sites of Facebook and Twitter, as well as other above-the-line initiatives.

While it is important to promote our services, we also understand that the public's easy accessibility of our e-Government services is equally vital in enabling the Group to enter into the next phase of growth.

To this end, the Group has invested significantly in broadening the geographical reach of our public 'touch-points'. The year under review saw MYEG increasing the number of E-Service Centres and E-Service Kiosks to 80 and 345 respectively in FY2010 – compared to a total of 65 E-Service Centres and 315 E-Service Kiosks in FY2009. The Group is committed to continually build a strategic and strong multi-channel network across Peninsular and East Malaysia to deliver its services.

We believe that our sustained level of investment in our marketing campaign and geographical expansion in the year under review has generated an encouraging set of results, as we have experienced considerable growth in the number of e-Government transactions in every quarter. In fact, our pre-tax margins have increased to 33.8% in FY2010 versus 33.0% in FY2009, inspite of the higher A&P expenditure in FY2010.

The management fervently believes that the Group is reaping the benefits of our strategies, while also preparing a firm foundation for MYEG to leap into the next phase of growth as part of its long term plans.

### RESEARCH & DEVELOPMENT ("R&D")

Since inception, we have always believed that R&D is the cornerstone of our business continuity, and a pivotal component in honing our sustainable competitive edge as Malaysia's e-Government service provider.

The Group had invested approximately of RM1.5 million in our R&D activities in the current year, compared to RM0.9 million in FY2009. The increase is generally in line with the upcoming introduction of various new e-Government services that are anticipated to be rolled out in the next two years.

### ACHIEVEMENTS

FY2010 was also a milestone year for us, as MYEG was named by Forbes Asia as being one of the "Best Under USD1 billion" company, and also included in the ranking of Deloitte's Technology Fast 500 Asia Pacific companies in 2010.

We are heartened by such recognition, as it is truly a reiteration of our impressive track record in financial performance and in creation of shareholders' value. These awards will surely motivate us to make even further progress in building a great company for the benefit of all stakeholders.



## **GROWTH STRATEGIES**

The road ahead is indeed an exciting one for the Group. Backed by our strong reputation of successful implementations and public adoption of e-Government services, we foresee a huge potential for MYEG to further accelerate our progress and provide the public with even more convenience-centric services.

The Group has mapped a strategic program that will shape our activities for the coming year.

Firstly, we will continuously endeavor to broaden our portfolio of e-Government services, by extending the scope of existing Government agencies as well as introducing new services to the public.

MYEG launched a new service recently in June 2010 – the online renewal of maid services, which is also the Group's first service rolled out for the Immigration Department of Malaysia ("IMI"). Subsequently in October 2010, we introduced the online application of new foreign maids via our MYEG portal. The Group also intends to develop this service further by enabling the online renewal of foreign workers. We believe that these new services would revolutionize the present maid and foreign worker industry which is highly fragmented and undercapitalized.

Also in the pipeline are plans to make the online road tax and auto insurance renewal services available in Sabah and Sarawak. We are also undertaking the development of new services for the Road Transport Department ("JPJ"), such as the online transfer of vehicle ownership, and number bidding application. These launches will complement the Group's existing suite of e-Government services and allow us to create new markets for MYEG.

Secondly, we will sustain our efforts to strengthen our delivery infrastructure to ensure that a larger number of the Malaysian public will be able to access our e-Government services both geographically and in term of channel availability. We aim to further increase the number of MYEG and Speed e-Service Centers nationwide to achieve this.

Lastly, we plan to maintain a strategic level of A&P expenditure to develop our brand name while maintaining brand awareness amongst our target markets. Leveraging on the impact of our campaign in FY2010, we aim to maintain our marketing initiatives in print, electronic and social media to build awareness of our new services that would be rolled out. We believe that MYEG has the necessary elements to become a strong brand that represents convenience, speed, and efficiency.

Yes, the past decade has indeed been an eventful one, but we trust that the best is yet to come. We anticipate the future.

## EVENTS HIGHLIGHT



### New Customer Service Centre

In line with the expansion of the Group, a new customer service centre was set up in Bandar Utama in June 2010.



### Introduction of New Online Services

2 new services were introduced by MYEG namely:

- Online Application of MyKad Replacement in March 2010; and
- Online Renewal of Foreign Maid Work Permit in June 2010.

### Sponsorship of Sports Entertainment

MYEG teamed up with ESPN Star Sports ("ESS") to launch the "MYEG Extra Time program" on ESPN sports channel.

In December 2009, MYEG was a presentation sponsor for the Goodyear Formula Drift Malaysia which was organized by ESS.

MYEG was also one of the co-sponsor for the live broadcast of 2010 FIFA World Cup on ESPN sports channel.



### Mass Community Websites

Leveraging on the popularity of Facebook and Twitter, MYEG launched "Friends of MYEG" and Twitter MYEG club in November 2009.

### Recognition Garnered

MYEG was recognized by Forbes as one of Asia's 200 "Best under USD1 billion" company in September 2010.

MYEG was also in the ranking of Deloitte's Technology Fast 500 2010 Asia Pacific which was released in November 2010.



### Conferences and Exhibitions

MYEG also participated actively in several exhibitions organized by Unit Pemodenan Tadbiran Dan Perancangan Pengurusan Malaysia (MAMPU), Jabatan Pengangkutan Jalan (JPJ), Ministry of Science, Technology & Innovation (MOSTI) and other government agencies. These exhibitions provided MYEG an opportunity to create awareness amongst the Malaysian public especially in the rural areas.



## DIRECTORS' PROFILE



### **DATO' DR NORRAESAH BINTI HAJI MOHAMAD**

Executive Chairman

Dato' Dr Norraesah Binti Haji Mohamad, a Malaysian aged 62, was appointed to the Board on 18 August 2006.

She graduated with a Bachelor of Arts (Hons) Economics from University of Malaya in 1972. In 1982, she obtained her Masters in International Economics Relations from International Institute of Public Administration, France and Masters in International Economics and Finance from University of Paris I, Pantheon-Sorbonne, France. She further obtained a PhD (Economics Science) International Economics and International Finance from University of Paris I, Pantheon-Sorbonne, France in 1986. She has over thirty-seven (37) years of working experience in the field of banking, consultancy and international trade and commerce.

She worked for the Ministry of International Trade and Industry from 1972 to 1985, 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 International Advisory Panel. She is a member of UMNO Supreme Council since 2000. She was appointed as a Senator in 2005 and held the position until 2008.

She currently holds directorships in SBC Corporation Berhad, KESM Industries Berhad, Protasco Berhad, Ya Horng Electronic (M) Berhad, Malaysian Genomics Resource Centre Berhad and Adventa Berhad, all listed on Bursa Malaysia Securities Berhad. She also sits on the board of several other private limited companies.



## DIRECTORS' PROFILE *cont'd*



### **WONG THEAN SOON**

Managing Director

Wong Thean Soon, a Malaysian aged 39, was appointed to the Board on 6 March 2000. He is a member of the Remuneration Committee.

He graduated from the National University of Singapore with a Bachelor Degree in Electrical Engineering in 1995. He has accumulated more than 12 years of experience in the ICT industry with his involvement in designing, implementing and maintenance of communication applications on the Internet in various technology companies, both local and abroad. He commenced his career in the ICT industry in 1995 with Cybersource Pte Ltd, Singapore as co-founder and Executive Director of the company. During his tenure there, he oversaw the development of PictureMail, an integrated graphical e-mail package, which was licenced to Sony, among others. He was also in charge of developing and marketing an additional product, the Global Messaging System, which was licenced to paging operators in the Asian region including EasyCall International of Australia and Lenso Paging of Thailand.

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

He resigned from the Chief Executive Officer position at Tecnochannel Technologies Sdn Bhd in 2000 and co-founded MYEG in the same year. He was one of the pioneering members of MYEG Group and has been instrumental in establishing and managing the operations of MYEG Group. He is responsible for formulating and implementing business policies and corporate strategies of MYEG Group as well as prominently spearheading the progress and development of MYEG Group. He also sits on the board of several private limited companies.



### **RAJA MUNIR SHAH BIN RAJA MUSTAPHA**

Executive Director

Raja Munir Shah Bin Raja Mustapha, a Malaysian aged 47, 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 1991, and served as a Director in SP Maju Sdn Bhd. During his tenure in SP Maju Sdn Bhd, he oversaw the business operations, finance and day-to-day management functions of the company.

In the course of his career there, he further obtained a Diploma in Business Studies from Peterborough Regional College, United Kingdom in 1998.

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 Tanjong Division, a position he still holds presently. He is also a committee member of Penang UMNO State Liaison.

He is currently a Director of Longstore Logistics (M) Sdn Bhd and sits on the board of several private limited companies. He is also actively involved in several Non-Governmental Organisations.

## DIRECTORS' PROFILE *cont'd*



### **TAN SRI DATO' DR MUHAMMAD RAIS BIN ABDUL KARIM**

Independent Non-Executive Director



Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim, a Malaysian aged 64, was appointed to the Board on 31 December 2008. He is also the Chairman of the Remuneration Committee and Audit Committee 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, Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim is the Chairman of Malaysian Qualifications Agency, Ministry of Higher Education, Malaysia since 1 November 2007. He is also the Non-Executive Chairman of Goodyear Malaysia Berhad, a Director of Yakin IT Sdn Bhd and the Honorary Treasurer of Muslim Welfare Organisation Malaysia.

### **NG FOOK AI VICTOR**

Independent Non-Executive Director



Ng Fook Ai Victor, a Singaporean aged 62, 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 £50 million UK listed fund that focuses on private equity investment in China, and Changjiang Investment, a US\$100 million fund focused on China.

A former Principal/Consulting Partner with 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.



## DIRECTORS' PROFILE *cont'd*



### **DATUK MOHD JIMMY WONG BIN ABDULLAH**

Independent Non-Executive Director

Datuk Mohd Jimmy Wong Bin Abdullah, a Malaysian aged 48, 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.

## 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 Malaysian Code on Corporate Governance ("Code") and Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad Listing ("Bursa Securities").

### BOARD OF DIRECTORS

#### The Board

The Group is led by an effective and experienced Board with members from diverse backgrounds possessing a wide range of expertise. 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

As at the date of this Annual Report, the Board comprises six (6) members; three (3) of whom are Executive Directors (including the Chairman) and three (3) Independent Non-Executive Directors. This complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities which requires at least two (2) or one third (1/3) of the Board of the Company, whichever is higher, are Independent Directors. 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.

A brief profile of each Director is presented on pages 13 to 16 of the Annual Report.

The Executive Directors are primarily responsible for the implementation of policies and decisions of the Board, overseeing the Group's operations and developing the Group's business 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.

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.





## CORPORATE GOVERNANCE STATEMENT *cont'd*

### BOARD OF DIRECTORS *cont'd*

#### Board Meetings

During the financial year ended 30 June 2010, 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
Raja Munir Shah Bin Raja Mustapha	Executive Director	5/5
Datuk Mohd Jimmy Wong Bin Abdullah	Independent Non-Executive Director	5/5
Ng Fook Ai Victor	Independent Non-Executive Director	4/5
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' 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.

All Directors have access to the advice and services of the Company Secretaries. Where considered necessary, the Board may obtain independent professional advice in the furtherance of their duties, at the Company's expense.

### BOARD COMMITTEES

The following principal Board Committees that have been established to assist the Board in discharging its duties effectively:

- 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 22 to 25 of this Annual Report.

#### (b) Nomination Committee

The Nomination Committee consists of two (2) Non-Executive Directors and meets as and when required. The members of the Nomination Committee 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*

## CORPORATE GOVERNANCE STATEMENT *cont'd*



### BOARD COMMITTEES *cont'd*

#### (b) Nomination Committee *cont'd*

The Nomination Committee is responsible for annual review of the Board's required mix of skills, experience, quality and core competencies of the Non-Executive Directors, annual assessment of the effectiveness of the Board as a whole and the contribution of each individual Director. The Nomination Committee is also responsible for making recommendations for new appointment to the Board.

#### (c) Remuneration Committee

The members of the Remuneration Committee consists of:

- 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 Remuneration Committee is responsible for reviewing the terms of engagement and remuneration packages of the Executive Directors. An Executive Director does not participate in the discussion of his individual remuneration. It is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of these Directors.

The determination of the remuneration of Non-Executive Directors is a matter of the Board as a whole.

### Appointments and Re-election of Directors

Any appointment of a new Director to the Board or Board Committee is recommended by the Nomination Committee 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.

All the Directors have attended and successfully completed the Mandatory Accreditation Programme as prescribed by Bursa Securities.

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



## CORPORATE GOVERNANCE STATEMENT *cont'd*

### BOARD COMMITTEES *cont'd*

#### 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 2010 are as follows:

	<b>Fees (RM)</b>	<b>Salaries (RM)</b>	<b>Allowances (RM)</b>	<b>Benefits In Kind (RM)</b>	<b>Total (RM)</b>
Executive Directors	240	-	-	-	240
Non-Executive Directors	123	-	-	-	123
<b>Total</b>	<b>363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>363</b>

<b>Remuneration Bands</b>	<b>Executive Directors</b>	<b>Non-Executive Directors</b>	<b>Total</b>
Below RM50,000	-	1	1
RM50,001 – RM100,000	2	2	4
RM100,001 – RM150,000	1	-	1

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.

# CORPORATE GOVERNANCE STATEMENT *cont'd*



## 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 page 26 and 27 of this Annual Report provides an overview of the state of internal controls within the Group.

### 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 22 to 25 of this Annual Report.

## STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF PREPARATION OF FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for that financial year.

In preparing the financial statements of the Company and of the Group for the financial year ended 30 June 2010, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



## 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 2010.

### MEMBERS AND ATTENDANCE

As at the date of this Annual Report, the members of the Audit Committee consist of:

#### Chairman

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

#### Members

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

Ng Fook Ai Victor - Independent Non-Executive Director

The details of the attendance of each Audit Committee member during their respective tenure in the financial year ended 30 June 2010 are as follows:

	Meetings Attended
<b>Chairman</b>	
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim (Independent Non-Executive Director)	5/5
<b>Members</b>	
Datuk Mohd Jimmy Wong Bin Abdullah (Independent Non-Executive Director)	5/5
Ng Fook Ai Victor (Independent Non-Executive Director)	4/5

Details of the members of the Audit Committee 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 Audit Committee, where considered necessary. The agenda of the meetings and relevant information are distributed to the Audit Committee members with sufficient notification. The Company Secretary was also present to record the proceedings of the Audit Committee meetings.

### COMPOSITION AND TERMS OF REFERENCE

The Terms of Reference of the Audit Committee are as follows:

#### 1. Composition

The Audit Committee 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 Audit Committee 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



# AUDIT COMMITTEE REPORT *cont'd*



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

The Terms of Reference of the Audit Committee are as follows: *cont'd*

### 1. Composition *cont'd*

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

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 Audit Committee 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 Audit Committee shall be appointed by the Board, or failing which, by the members of the Audit Committee 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 Audit Committee 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 Audit Committee at the Registered Office or such other place as may be determined by the Audit Committee.

### 4. Meetings

The Audit Committee 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 Audit Committee 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 Audit Committee 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;
- (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.



## AUDIT COMMITTEE REPORT *cont'd*

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

#### 6. Duties

- (a) To review with the external auditors on:
  - o the audit plan, its scope and nature;
  - o the audit report;
  - o the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
  - o 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:
  - o 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
  - o internal audit plan and monitor its implementation
  - o 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:
  - o audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
  - o interim financial information; and
  - o 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.
- (g) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors, focusing particularly on:
  - o changes in or implementation of major accounting policy and practices;
  - o significant and/or unusual matters arising from the audit;
  - o the going concern assumption;
  - o compliance with accounting standards and other legal requirements; and
  - o 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 Audit Committee

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

# AUDIT COMMITTEE REPORT *cont'd*



## SUMMARY OF ACTIVITIES

During the financial year under review, the following activities were undertaken by the Audit Committee, 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 audited financial statements of the Group and of the Company prior to submission to the Board of Directors for consideration and approval.
- (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 of Directors for approval.
- (f) the internal audit reports which outlined the recommendations towards correcting areas of weaknesses and ensure that there were management action plans established for the implementation of the internal auditors' recommendation.
- (g) the Audit Committee Report and Statement on Internal Control before recommending the same to the Board for approval.
- (h) the related party transactions to ensure that they were not detrimental to the interests of minority shareholders.

## INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to an independent professional firm, which reports directly to the Audit Committee 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 Audit Committee. 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 26 and 27.



## 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 2010.

### BOARD RESPONSIBILITY

The Board of Directors ("the Board") acknowledges its overall responsibility for the group's system of internal controls 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 effectively and efficiently manage risks affecting the Group;
- Compliance with applicable laws, regulations, rules, directives and guidelines; and
- Financial 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 Audit Committee. The internal audit function is guided by its Audit Charter and to assist the Board and Audit Committee 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 2010, the internal audit function carried out audits in accordance with the internal audit plan approved by the Audit Committee and also other areas of significance that were recommended by the Management to the Audit Committee. The results of the internal audit reviews and the recommendations for improvement were presented to the Audit Committee 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.

For the financial year ended 30 June 2010, the amount of fees incurred in respect of the internal audit reviews performed by the professional service firm was approximately RM49,000.

## STATEMENT ON INTERNAL CONTROL *cont'd*



### 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 control 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 Malaysia, 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 control.





## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS

As at 30 June 2010, the utilisation of gross proceeds of RM16,978,100 raised from the private placement during the financial year ended 30 June 2009 was as follows:

Purpose	Proposed Utilisation (RM'000)	Amount Utilised (RM'000)	Balance Unutilised (RM'000)
Capital Expenditure	7,900	7,900	-
Advertising, Marketing and Promotion Expenses	3,685 *	3,685	-
Working capital	4,993	4,993	-
Bonus Issue/Share Issue expenses	400	400	-
Total	16,978	16,978	-

**Note:**

\* In view that the actual proceeds received is less than RM19.44 million, the differences was adjusted against the proceeds earmarked for advertising, marketing and promotional purposes.

### 2. SHARE BUY-BACKS

At the Annual General Meeting of the Company held on 10 December 2009, the Company had obtained the shareholders' authority for the renewal of authority to purchase its own ordinary shares of up to 10% of the issued and paid-up ordinary share capital of the Company.

During the financial year under review, the Company had bought back 371,900 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)
November 2009	100	0.460	0.460	0.46	46
March 2010	185,800	0.415	0.420	0.42	77,924
April 2010	186,000	0.425	0.430	0.43	80,216
Total	371,900				158,186

### 3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants or convertible securities in respect of the financial year ended 30 June 2010.

### 4. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

During the financial year ended 30 June 2010, the Company did not sponsor any ADR or GDR programme.

### 5. SANCTIONS AND/OR PENALTIES

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

## ADDITIONAL COMPLIANCE INFORMATION *cont'd*



### 6. NON-STATUTORY AUDIT FEES

The amount of non-audit fees incurred for services rendered by the external auditors to the Group for the financial year ended 30 June 2010 amounted to approximately RM4,000.

### 7. MATERIAL CONTRACTS

There were no material contracts subsisting at the end of financial year ended 30 June 2010 entered into by the Company and its subsidiaries involving the interests of the Directors and major shareholders.

### 8. REVALUATION POLICY ON LANDED PROPERTIES

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

### 9. VARIATION IN RESULTS

There was no deviation of 10% or more between the results of the financial year ended 30 June 2010 as per the audited financial statements and the unaudited results previously announced.

### 10. PROFIT GUARANTEE

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



## 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 2010.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the business 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 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Profit after taxation for the financial year	20,852	20,222
Attributable to:		
Equity holders of the Company	20,872	20,222
Minority interests	(20)	-
	20,852	20,222

### DIVIDENDS

Since the end of the previous financial year, the Company paid the following dividends:-

- a third interim tax-exempt dividend of 0.455 sen per ordinary share amounting to approximately RM2,735,000 in respect of the previous financial year as declared in the directors' report of that financial year;
- a final tax-exempt dividend of 0.455 sen per ordinary share amounting to approximately RM2,735,000 in respect of the previous financial year as proposed in the directors' report of that financial year; and
- a first interim tax-exempt dividend of 0.50 sen per ordinary share amounting to approximately RM3,003,000 in respect of the current financial year.

The directors propose the payment of a final tax-exempt dividend of 0.60 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,

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

**DIRECTORS' REPORT** *cont'd***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 shareholders of the Company, by a special resolution passed in the Annual General Meeting held on 5 December 2008 and subsequently renewed during the Annual General Meeting on 10 December 2009, approved the Company's plan to buy back its own shares up to 10% of the issued and paid-up share capital of the Company ("Share Buy Back").

The Directors of the Company are committed in enhancing the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company purchased a total of 371,900 of its own ordinary shares from the open market at an average price of RM0.43 per share. The total consideration paid for the purchase including transaction costs was RM158,186. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at the balance sheet date, the Company held 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 of RM158,186. Relevant details on the treasury shares are disclosed 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 doubtful debts, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for doubtful debts.

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 doubtful debts 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.

**CONTINGENT AND OTHER LIABILITIES**

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.



## DIRECTORS' REPORT *cont'd*

### 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  
RAJA 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 1.7.2009	BOUGHT	SOLD	AT 30.6.2010
<b>THE COMPANY</b>				
<i>DIRECT INTERESTS</i>				
DATO' DR NORRAESAH BINTI HAJI MOHAMAD	6,160,000	800,000	-	6,960,000
TAN SRI DATO' DR MUHAMMAD RAIS BIN ABDUL KARIM	2,200,000	300,000	-	2,500,000
WONG THEAN SOON	18,878,006	9,348,000	-	28,226,006
RAJA MUNIR SHAH BIN RAJA MUSTAPHA	537,900	-	(108,000)	429,900
DATUK MOHD JIMMY WONG BIN ADBULLAH	552,000	-	-	552,000
<i>INDIRECT INTERESTS</i>				
TAN SRI DATO' DR MUHAMMAD RAIS BIN ABDUL KARIM <sup>(1)</sup>	2,200,000	-	(500,000)	1,700,000
WONG THEAN SOON <sup>(2)</sup>	218,457,998	-	(9,300,000)	209,157,998
RAJA MUNIR SHAH BIN RAJA MUSTAPHA <sup>(2)</sup>	218,457,998	-	(9,300,000)	209,157,998

<sup>(1)</sup> Indirect interest through his son's shareholding by virtue of Section 134(12)(c) of the Companies Act 1965.

<sup>(2)</sup> Indirect interests through their interests in Asia Internet Holdings Sdn Bhd ("AIH") and Asia Internet E-Services Holdings Sdn Bhd ("AIEH").

**DIRECTORS' REPORT** *cont'd***DIRECTORS' INTERESTS** *cont'd*

By virtue of their shareholdings in AIH and AIEH, Wong Thean Soon and Raja 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 36 to the financial statements.

Neither during nor at the end of the financial year was the Company and its subsidiaries 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.

**AUDITORS**

The auditors, Messrs. Crowe Horwath (formerly known as Messrs. Horwath), have expressed their willingness to continue in office.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 25 OCTOBER 2010**

**Wong Thean Soon**

**Raja Munir Shah Bin Raja Mustapha**





## STATEMENT BY DIRECTORS

We, Wong Thean Soon and Raja 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 37 to 75 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 of the Company at 30 June 2010 and of their results and cash flows for the financial year ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 25 OCTOBER 2010**

**WONG THEAN SOON**

**RAJA 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 37 to 75 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 25 October 2010

**WONG THEAN SOON**

Before me  
**DATIN HAJAH RAIHELA WANCHIK**  
No: W-275  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

To The Members Of My E.G. Services Berhad

(Incorporated in Malaysia) Company No: 505639 - K



## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of My E.G. Services Berhad, which comprise the balance sheets as at 30 June 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 37 to 75.

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

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### *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 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 and fair presentation of the financial statements 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 2010 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 6 to the financial statements.
- (c) 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.
- (d) The 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*

### 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

Kuala Lumpur  
25 October 2010

#### LEE KOK WAI

Approval No: 2760/06/12 (J)

Chartered Accountant

# BALANCE SHEETS

At 30 June 2010

		THE GROUP		THE COMPANY	
		2010	2009	2010	2009
	NOTE	RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	13,196	13,196
Investment in an associate	7	-	-	40	-
Equipment	8	39,995	33,595	36,726	31,223
Development costs	9	10,113	8,732	9,189	8,551
Goodwill on consolidation	10	12,016	12,022	-	-
		62,124	54,349	59,151	52,970
CURRENT ASSETS					
Trade receivables	11	6,792	2,395	5,579	1,820
Other receivables, deposits and prepayments	12	10,325	9,374	8,277	7,973
Amount owing by subsidiaries	13	-	-	1,729	1,494
Amount owing by an associate	14	7,522	-	7,522	-
Tax refundable		17	9	1	-
Fixed deposits with licensed banks	15	3,639	6,674	3,606	6,652
Cash and bank balances	16	5,186	7,886	4,210	6,564
		33,481	26,338	30,924	24,503
TOTAL ASSETS		95,605	80,687	90,075	77,473

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



# BALANCE SHEETS

At 30 June 2010 *cont'd*

	NOTE	THE GROUP		THE COMPANY	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	17	60,105	60,105	60,105	60,105
Treasury shares	18	(158)	-	(158)	-
Retained profits	19	24,496	9,362	21,097	6,613
<b>SHAREHOLDERS' EQUITY</b>		84,443	69,467	81,044	66,718
<b>MINORITY INTERESTS</b>					
		-	46	-	-
<b>TOTAL EQUITY</b>		84,443	69,513	81,044	66,718
<b>NON-CURRENT LIABILITIES</b>					
Deferred taxation	20	-	6	-	-
Long-term borrowings	21	4,186	4,067	3,871	4,067
		4,186	4,073	3,871	4,067
<b>CURRENT LIABILITIES</b>					
Trade payables	24	1,422	1,376	1,292	1,224
Other payables and accruals		1,384	1,236	1,090	981
Amount owing to subsidiaries	13	-	-	103	43
Deferred revenue	25	1,440	-	-	-
Dividend payable	26	-	2,735	-	2,735
Provision for taxation		7	52	-	3
Short-term borrowings	27	2,723	1,702	2,675	1,702
		6,976	7,101	5,160	6,688
<b>TOTAL LIABILITIES</b>		11,162	11,174	9,031	10,755
<b>TOTAL EQUITY AND LIABILITIES</b>		95,605	80,687	90,075	77,473
Net assets per share (sen)	28	14.06	11.56		

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

# INCOME STATEMENTS

For The Financial Year Ended 30 June 2010

	NOTE	THE GROUP		THE COMPANY	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>REVENUE</b>	29	62,094	52,480	53,151	41,193
<b>COST OF SALES</b>	29	(24,982)	(24,365)	(18,907)	(17,075)
<b>GROSS PROFIT</b>		37,112	28,115	34,244	24,118
<b>OTHER INCOME</b>		157	273	188	3,270
		37,269	28,388	34,432	27,388
<b>ADMINISTRATIVE EXPENSES</b>		(10,478)	(6,451)	(8,930)	(5,248)
<b>OTHER EXPENSES</b>		(5,201)	(4,122)	(4,733)	(3,838)
<b>FINANCE COSTS</b>		(541)	(500)	(516)	(500)
<b>SHARE OF LOSS IN AN ASSOCIATE</b>		(40)	-	-	-
<b>PROFIT BEFORE TAXATION</b>	30	21,009	17,315	20,253	17,802
<b>INCOME TAX EXPENSE</b>	31	(157)	(151)	(31)	(45)
<b>PROFIT AFTER TAXATION</b>		20,852	17,164	20,222	17,757
<b>ATTRIBUTABLE TO:</b>					
Equity holders of the Company		20,872	17,198	20,222	17,757
Minority interests		(20)	(34)	-	-
		20,852	17,164	20,222	17,757
Earnings per share (sen):					
- Basic	32	3.5	2.9		
- 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 2010

← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →								
		NON-DISTRIBUTABLE		DISTRIBUTABLE				
	NOTE	SHARE CAPITAL	TREASURY SHARES	SHARE PREMIUM	RETAINED PROFITS	TOTAL	MINORITY INTERESTS	TOTAL EQUITY
THE GROUP		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2008		25,250	-	-	24,110	49,360	80	49,440
Expenses recognised directly in equity:-								
Bonus issue expenses		-	-	(400)	-	(400)	-	(400)
Profit after taxation for the financial year		-	-	-	17,198	17,198	(34)	17,164
Total recognised income and expense for the financial year		-	-	(400)	17,198	16,798	(34)	16,764
Issuance of ordinary shares pursuant to:								
- private placement		2,070	-	14,908	-	16,978	-	16,978
- bonus issue		32,785	-	(14,508)	(18,277)	-	-	-
Dividends :	26							
- paid		-	-	-	(10,934)	(10,934)	-	(10,934)
- declared		-	-	-	(2,735)	(2,735)	-	(2,735)
Balance at 30.6.2009/1.7.2009		60,105	-	-	9,362	69,467	46	69,513
Profit after taxation for the financial year		-	-	-	20,872	20,872	(20)	20,852
Disposal of a subsidiary		-	-	-	-	-	(26)	(26)
Treasury shares acquired		-	(158)	-	-	(158)	-	(158)
Dividends paid	26	-	-	-	(5,738)	(5,738)	-	(5,738)
Balance at 30.6.2010		60,105	(158)	-	24,496	84,443	-	84,443

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

# STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2010 *cont'd*



## ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

THE COMPANY	NOTE	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	NON-DISTRIBUTABLE		TOTAL RM'000
				SHARE PREMIUM RM'000	DISTRIBUTABLE RETAINED PROFITS RM'000	
Balance at 1.7.2008		25,250	-	-	20,802	46,052
Expenses recognised directly in equity:-						
Bonus issue expenses		-	-	(400)	-	(400)
Profit after taxation for the financial year		-	-	-	17,757	17,757
Total recognised income and expense for the financial year		-	-	(400)	17,757	17,357
Issuance of ordinary shares pursuant to:						
- private placement		2,070	-	14,908	-	16,978
- bonus issue		32,785	-	(14,508)	(18,277)	-
Dividends:	26					
- paid		-	-	-	(10,934)	(10,934)
- declared		-	-	-	(2,735)	(2,735)
Balance at 30.6.2009/1.7.2009		60,105	-	-	6,613	66,718
Profit after taxation for the financial year		-	-	-	20,222	20,222
Treasury shares acquired		-	(158)	-	-	(158)
Dividends paid	26	-	-	-	(5,738)	(5,738)
Balance at 30.6.2010		60,105	(158)	-	21,097	81,044

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



# CASH FLOW STATEMENTS

For The Financial Year Ended 30 June 2010

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
NOTE	RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	21,009	17,315	20,253	17,802
Adjustments for:-				
Allowance for doubtful debt	#	-	-	-
Amortisation of development costs	789	655	679	546
Depreciation of equipment	4,412	3,467	4,054	3,292
Interest expense	539	500	516	500
Share of loss in an associate	40	-	-	-
Dividend income	-	-	-	(3,000)
Gain on disposal of a subsidiary	(2)	-	(40)	-
Gain on disposal of equipment	(#)	(#)	(#)	(#)
Interest income	(150)	(273)	(148)	(270)
Operating profit before working capital changes	26,637	21,664	25,314	18,870
Increase in trade and other receivables	(5,386)	(1,540)	(4,063)	(1,453)
Increase in trade and other payables	206	599	177	971
Increase in deferred revenue	1,440	-	-	-
Increase in amount owing by a subsidiary	-	-	(660)	-
Increase in amount owing by an associate	(5,400)	-	(5,400)	-
<b>CASH FLOWS FROM OPERATIONS</b>	17,497	20,723	15,368	18,388
Interest paid	(539)	(500)	(516)	(500)
Income tax paid	(212)	(113)	(35)	(45)
<b>NET CASH FROM</b>				
<b>OPERATING ACTIVITIES CARRIED FORWARD</b>	16,746	20,110	14,817	17,843

# represents an amount less than RM1,000.

# CASH FLOW STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

	NOTE	THE GROUP		THE COMPANY	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>NET CASH FROM OPERATING ACTIVITIES BROUGHT FORWARD</b>		16,746	20,110	14,817	17,843
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>					
Purchase of equipment	33	(7,083)	(18,533)	(6,194)	(16,403)
Proceeds from disposal of equipment		13	#	13	#
Additional investment in a subsidiary		-	-	-	(300)
Investment in an associate		(40)	-	(40)	-
Proceeds from disposal of a subsidiary	34	38	-	40	-
Addition of development costs		(2,170)	(2,378)	(1,317)	(2,378)
Repayment from/(Advances to) subsidiaries		-	-	425	(1,153)
Advances to an associate		(2,122)	-	(2,122)	-
Dividend received		-	-	-	3,000
Interest received		150	273	148	270
<b>NET CASH FOR INVESTING ACTIVITIES</b>		(11,214)	(20,638)	(9,047)	(16,964)
		5,532	(528)	5,770	879
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>					
Gross proceeds from issuance of shares		-	16,978	-	16,978
Bonus issue expenses		-	(400)	-	(400)
Purchase of treasury shares		(158)	-	(158)	-
Repayment of term loans		(960)	(960)	(960)	(960)
Repayment of hire purchase and finance lease payables		(1,676)	(865)	(1,639)	(865)
Advances from/(Repayment to) subsidiaries		-	-	60	(494)
Dividends paid	26	(8,473)	(10,934)	(8,473)	(10,934)
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>		(11,267)	3,819	(11,170)	3,325
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(5,735)	3,291	(5,400)	4,204
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		14,560	11,269	13,216	9,012
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	35	8,825	14,560	7,816	13,216

# represents an amount less than RM1,000.

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



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010

## 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. 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 : Lot 5.01, Level 5, KPMG Tower,  
No. 8, 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 25 October 2010.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business 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 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

### (a) Market Risks

#### (i) Foreign Currency Risk

The Group does not have any foreign currency transactions, assets or liabilities and hence is not exposed to any foreign currency risk.

#### (ii) Interest Rate Risk

The Group obtains financing through banking, leasing and hire purchase facilities. Its policy is to obtain the most favourable interest rates available.

Surplus funds are placed with financial institution at the most favourable interest rates.

#### (iii) Price Risk

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

### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from its receivables. The maximum exposure to credit risk is represented by the total carrying amount of this financial asset in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group's concentration of credit risk relates to the performance bond to a gateway provider and amounts owing by a customer and an associate which constituted 57% of its total receivables at the balance sheet date.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

# NOTES TO THE FINANCIAL STATEMENTS

## For The Financial Year Ended 30 June 2010 *cont'd*



### 3. FINANCIAL RISK MANAGEMENT POLICIES *cont'd*

#### (c) Liquidity and Cash Flow Risk

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances to meet its obligations as and when they fall due.

### 4. 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 standard:-

FRS 8 Operating Segments

FRS 8 replaces FRS 114<sup>2004</sup> Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

- (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 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
FRS 101 (Revised) Presentation of Financial Statements	1 January 2010
FRS 123 (Revised) Borrowing Costs	1 January 2010
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
FRS 139 Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)	1 July 2010



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 4. BASIS OF PREPARATION *cont'd*

### FRSs and IC Interpretations (including the Consequential Amendments) *cont'd*

### Effective date

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments	1 January 2010/1 March 2010
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
Annual Improvements to FRSs (2009)	1 January 2010

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

The FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

The possible impacts of FRS 7 (including the subsequent amendments) and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 4. BASIS OF PREPARATION *cont'd*

The FRS 101 (Revised) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of the Group's financial statements in the next financial year.

The FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

Amendments to FRS 1 and FRS 127 remove the definition of 'cost method' currently set out in FRS 127, and instead require an investor to recognise all dividend from subsidiaries, jointly controlled entities or associates as income in its separate financial statements. In addition, FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Company for the current financial year but may impact the accounting for future transactions or arrangements.

IC Interpretation 4 aims to provide guidance for determining whether certain arrangements are, or contain, leases that should be accounted for in accordance with FRS 117; it does not provide guidance whether such a lease should be classified as a finance lease or an operating lease. It clarifies that an arrangement, although does not take the legal form of a lease, is a lease when the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

IC Interpretation 9 requires embedded derivatives to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date the entity first became a party to the contract. The possible impacts of IC Interpretation 9 on the financial statements upon its initial application are not disclosed by virtue of the exemptions given under FRS 139.

IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

Amendments to IC Interpretation 9 are a consequential amendment from FRS 3 (Revised). These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

Annual Improvements to FRSs (2009) contain amendments to 21 accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

## 5. 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 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 5(v) to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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

#### (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.

#### (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

The Group determines on an annual basis as to whether goodwill is impaired. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

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

#### (v) Impairment of 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) Allowance for Doubtful Debts of Receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

### (b) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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

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.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

#### (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, 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 all its subsidiaries made up to 30 June 2010.

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.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. 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.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated balance sheets consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

#### (e) Goodwill on Consolidation

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 subsidiary at the date of acquisition.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually, and is written down for impairment where it is considered necessary. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessment, the Group's interest in the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.



## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (f) Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries and associates, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

#### (g) Associates

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

The investments in associates in the consolidated financial statements are accounted for under the equity method, based on the financial statements of the associates made up to 30 June 2010. The Group's share of the post acquisition profits of the associates is included in the consolidated income statement and the Group's interest in associates is stated at cost plus the Group's share of the post-acquisition retained profits and reserves.

Unrealised gains on transactions between the Group and the associates 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 a deferred revenue.

#### (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 life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period 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.

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 included in the income statement in the year the asset is derecognised.

#### (i) Impairment of Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date 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' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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

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 the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

### (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.

### (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 allocated to the income statement 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 charged to the income statement 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) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### (n) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

### (o) 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 balance sheet date.

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.

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.

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 balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax 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. The carrying amounts of deferred tax assets are reviewed at each balance sheet date 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.

### (p) Interest-bearing Borrowings

Interest-bearing bank borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

### (q) 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.

### (r) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. When such shares are issued by a subsequent sale, the difference between the sales consideration and the carrying amount is shown as a movement in shareholders' equity.

# NOTES TO THE FINANCIAL STATEMENTS

## For The Financial Year Ended 30 June 2010 *cont'd*



### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (s) 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.

#### (t) Employee Benefits

##### (i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued 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 charged to the income statement 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.

#### (u) 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.

#### (v) Revenue Recognition

##### (i) Services Rendered and Sales of Solutions

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 and Commission Income

Interest and commission income are recognised on an accrual basis.





# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### (w) Segmental Information

Segment information is presented in respect of the Group's business segments, which is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include item directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primary the Company's headquarters) and head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment revenue, expenses and results include transfers between segments. The price charged on inter-segment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

## 6. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost:-		
At 1.7.2009/2008	13,196	12,896
Addition	-	300
Disposal	(#)	-
At 30.6.2010/2009	13,196	13,196

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2010	2009	
Gale Vector Sdn Bhd ("GVSB")	Malaysia	100%	100%	Provision of software solutions and maintenance services.
PDX.net Sdn Bhd ("PNSB")	Malaysia	-	54.5%	Provision of E-Insurance solutions and other insurance-related services.
MySpeed.com Sdn Bhd ("SPEED") *	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.

On 23 February 2010, the Company completed the disposal of 54 ordinary shares of RM1.00 each in PNSB for a cash consideration of RM40,000 and consequently, PNSB ceased to be a subsidiary of the Company. The effect of the disposal is disclosed in Note 34 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 6. INVESTMENTS IN SUBSIDIARIES *cont'd*

In the previous financial year, MECSB increased its issued and paid-up share capital. The Company subscribed for the additional 299,998 ordinary shares of RM1.00 each in MECSB for a cash consideration of RM299,998 to retain the Company's equity interest of 100%.

\* not audited by Messrs. Crowe Horwath.

# represents an amount less than RM1,000.

## 7. INVESTMENT IN AN ASSOCIATE

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted shares, at cost	40	-	40	-
Share of post-acquisition loss	(40)	-	-	-
	-	-	40	-

The details of the associate are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2010	2009	
MY E.G. Integrated Networks Sdn Bhd (MINT) *	Malaysia	40%	-	Provision of software and hardware solutions and related services.

\* not audited by Messrs. Crowe Horwath.

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

	2010 RM'000	2009 RM'000
<b>Assets and Liabilities</b>		
Total assets	8,415	-
Total liabilities	10,266	-
<b>Results</b>		
Revenue	-	-
Loss for the financial year	1,950	-

The Group has recognised its share of loss in the associate, MINT, up to the amount of investment in MINT at the balance sheet date. The share of loss in excess of the investment in MINT which has not been recognised amounts to approximately RM740,000. The Group will recognise this share of loss when the Group has the obligation to invest additional capital in the associate in the future.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 8. EQUIPMENT

	AT 1.7.2009 RM'000	ADDITIONS RM'000	DISPOSALS RM'000	DISPOSAL OF A SUBSIDIARY RM'000	DEPRECIATION CHARGE RM'000	AT 30.6.2010 RM'000
<b>THE GROUP</b>						
<b>NET BOOK VALUE</b>						
Motor vehicles	642	454	-	-	(207)	889
Office and communication equipment	26,397	8,015	(3)	(30)	(2,736)	31,643
Office furniture and renovation	3,904	1,695	-	-	(423)	5,176
Computers	2,632	684	(10)	(4)	(1,036)	2,266
Software	20	11	-	-	(10)	21
	33,595	10,859	(13)	(34)	(4,412)	39,995

	AT 1.7.2008 RM'000	ADDITIONS RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 30.6.2009 RM'000
<b>THE GROUP</b>					
<b>NET BOOK VALUE</b>					
Motor vehicles	455	304	-	(117)	642
Office and communication equipment	12,921	15,598	(#)	(2,122)	26,397
Office furniture and renovation	1,487	2,700	-	(283)	3,904
Computers	2,606	954	-	(928)	2,632
Software	10	27	-	(17)	20
	17,479	19,583	(#)	(3,467)	33,595

# represents an amount less than RM1,000.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 8. EQUIPMENT *cont'd*

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
<b>AT 30.6.2010</b>			
Motor vehicles	1,343	(454)	889
Office and communication equipment	37,926	(6,283)	31,643
Office furniture and renovation	6,368	(1,192)	5,176
Computers	6,511	(4,245)	2,266
Software	53	(32)	21
	52,201	(12,206)	39,995

### AT 30.6.2009

Motor vehicles	891	(249)	642
Office and communication equipment	30,552	(4,155)	26,397
Office furniture and renovation	4,715	(811)	3,904
Computers	7,172	(4,540)	2,632
Software	94	(74)	20
	43,424	(9,829)	33,595

	AT 1.7.2009 RM'000	ADDITIONS RM'000	DISPOSALS RM'000	DEPRECIATION CHARGE RM'000	AT 30.6.2010 RM'000
--	--------------------------	---------------------	---------------------	----------------------------------	---------------------------

### THE COMPANY

### NET BOOK VALUE

Motor vehicles	642	-	-	(142)	500
Office and communication equipment	25,765	7,754	(3)	(2,605)	30,911
Office furniture and renovation	2,458	1,340	-	(335)	3,463
Computers	2,338	465	(10)	(962)	1,831
Software	20	11	-	(10)	21
	31,223	9,570	(13)	(4,054)	36,726



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 8. EQUIPMENT *cont'd*

	AT 1.7.2008 RM'000	ADDITIONS RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 30.6.2009 RM'000
<b>THE COMPANY</b>					
<b>NET BOOK VALUE</b>					
Motor vehicles	455	304	-	(117)	642
Office and communication equipment	12,717	15,088	(#)	(2,040)	25,765
Office furniture and renovation	1,422	1,283	-	(247)	2,458
Computers	2,458	751	-	(871)	2,338
Software	10	27	-	(17)	20
	17,062	17,453	(#)	(3,292)	31,223

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
<b>AT 30.6.2010</b>			
Motor vehicles	889	(389)	500
Office and communication equipment	36,620	(5,709)	30,911
Office furniture and renovation	4,462	(999)	3,463
Computers	4,951	(3,120)	1,831
Software	53	(32)	21
	46,975	(10,249)	36,726

### AT 30.6.2009

Motor vehicles	891	(249)	642
Office and communication equipment	29,236	(3,471)	25,765
Office furniture and renovation	3,122	(664)	2,458
Computers	5,456	(3,118)	2,338
Software	94	(74)	20
	38,799	(7,576)	31,223

# represents an amount less than RM1,000.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 8. EQUIPMENT *cont'd*

At the balance sheet date, the carrying amounts of the assets acquired under hire purchase and finance lease terms were as follows:-

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	459	147	110	147
Office and communication equipment	7,225	3,394	7,225	3,394

## 9. DEVELOPMENT COSTS

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
<b>AT COST:-</b>				
At 1.7.2009/2008	14,811	12,433	10,493	8,115
Addition during the financial year	2,170	2,378	1,317	2,378
At 30.6.2010/2009	16,981	14,811	11,810	10,493
<b>ACCUMULATED AMORTISATION:-</b>				
At 1.7.2009/2008	(6,079)	(5,424)	(1,942)	(1,396)
Amortisation during the financial year	(789)	(655)	(679)	(546)
At 30.6.2010/2009	(6,868)	(6,079)	(2,621)	(1,942)
	10,113	8,732	9,189	8,551

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	
	2010	2009
	RM'000	RM'000
Staff costs	950	618



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 10. GOODWILL ON CONSOLIDATION

	THE GROUP	
	2010 RM'000	2009 RM'000
At 1.7.2009/2008	12,022	12,022
Disposal of a subsidiary	(6)	-
At 30.6.2010/2009	12,016	12,022

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 5 years. The key assumptions used for value-in-use calculations are:-

	GROSS MARGIN		GROWTH RATE		DISCOUNT RATE	
	2010	2009	2010	2009	2010	2009
Software solutions and other insurance-related services	72%	73%	15%	15%	9.5%	7.5%
E-business activities	43%	41%	7%	10%	9.5%	7.5%

- (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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 11. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables	6,800	2,403	5,587	1,828
Allowance for doubtful debts	(8)	(8)	(8)	(8)
	6,792	2,395	5,579	1,820
Allowance for doubtful debts:-				
At 1.7.2009/2008	8	8	8	8
Addition for the financial year	#	-	-	-
At 30.6.2010/2009	8	8	8	8

# represents an amount less than RM1,000.

The Group's normal trade credit terms range from 30 to 180 days. Other credit terms are assessed and approved on a case-by-case basis.

## 12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Advance payments for:				
- purchase of equipment	-	2,169	-	2,169
- purchase of motor vehicles	81	-	-	-
- exhibition and marketing	2,255	1,893	2,255	1,893
- renovation	183	1,103	183	1,103
Performance bond to a gateway provider	4,679	3,498	2,902	2,263

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

	THE COMPANY	
	2010 RM'000	2009 RM'000
Amount owing by:		
- trade	660	-
- non-trade	1,069	1,494
	1,729	1,494
Amount owing to:		
- non-trade	(103)	(43)

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.





# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 14. AMOUNT OWING BY AN ASSOCIATE

	THE GROUP/THE COMPANY	
	2010	2009
	RM'000	RM'000
Amount owing by:		
- trade	5,400	-
- non-trade	2,122	-
	<u>7,522</u>	<u>-</u>

The trade amount is subject to normal credit terms.

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

The amounts owing are to be received in cash.

## 15. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits with licensed banks are amounts of RM555,000 and RM522,000 of the Group and of the Company respectively (2009 - RM544,000 and RM522,000) which have been pledged to licensed banks for banking facilities granted to the Group and the Company.

The weighted average effective interest rate per annum of the fixed deposits at the balance sheet date was 2.39% (2009 - 1.85%). The fixed deposits have maturity periods ranging from 1 to 12 months (2009 - 1 to 12 months).

## 16. CASH AND BANK BALANCES

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

	THE GROUP/THE COMPANY	
	2010	2009
	RM'000	RM'000
Short-term cash investments	<u>2,771</u>	<u>4,246</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 17. SHARE CAPITAL

	THE COMPANY			
	2010		2009	
	NUMBER OF SHARES '000	SHARE CAPITAL RM'000	NUMBER OF SHARES '000	SHARE CAPITAL RM'000
<b>ORDINARY SHARES OF RM0.10 EACH:-</b>				
<b>AUTHORISED</b>				
At 1.7.2009/2008	1,000,000	100,000	500,000	50,000
Increase during the financial year	-	-	500,000	50,000
At 30.6.2010/2009	1,000,000	100,000	1,000,000	100,000
<b>ISSUED AND FULLY PAID-UP</b>				
At 1.7.2009/2008	601,051	60,105	252,500	25,250
Allotment of shares	-	-	20,705	2,070
Bonus issue	-	-	327,846	32,785
At 30.6.2010/2009	601,051	60,105	601,051	60,105

In the previous financial year, the Company:-

- (a) increased its authorised share capital from RM50,000,000 to RM100,000,000 by the creation of 500,000,000 new ordinary shares of RM0.10 each; and
- (b) increased its issued and paid-up share capital from RM25,250,000 to RM60,105,100 by:
  - (i) the issuance of 20,705,000 new ordinary shares of RM0.10 each through a private placement at an issue price of RM0.82 per share for capital expenditure, advertising, marketing and promotional as well as additional working capital purposes. The shares were issued for cash consideration; and
  - (ii) a bonus issue of 327,846,000 new ordinary shares of RM0.10 each ("Bonus Shares") on the basis of six Bonus Shares for every five existing ordinary shares held in the Company. The bonus issue was by way of capitalisation of the retained earnings and share premium.

All the new ordinary shares issued in the previous financial year ranked pari passu in all respects with the existing ordinary shares of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 18. TREASURY SHARES

	THE GROUP/THE COMPANY			
	2010		2009	
	NUMBER OF SHARES '000	AT COST RM'000	NUMBER OF SHARES '000	AT COST RM'000
At 1.7.2009/2008	-	-	-	-
Buy back	372	158	-	-
At 30.6.2010/2009	372	158	-	-

During the financial year, the Company purchased its own ordinary shares from the open market at an average price of RM0.43 per share. The total consideration paid for the purchase including transaction costs was RM158,186. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at the balance sheet date, the Company held 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 of RM158,186.

## 19. RETAINED PROFITS

Subject to the agreement of the tax authorities, at the balance sheet date, the Company has tax-exempt income of approximately RM19,223,000 (2009 - RM6,408,000) available for the purpose of paying tax-exempt dividends.

At the balance sheet date, 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	
	2010 RM'000	2009 RM'000
At 1.7.2009/2008	6	7
Recognised in the income statement (Note 31)	(2)	(1)
Disposal of a subsidiary	(4)	-
At 30.6.2010/2009	-	6

The deferred taxation relates to accelerated capital allowances of equipment.

The Company has not recognised the deferred tax liability of approximately RM6.5 million at the balance sheet date relating to accelerated capital allowances of equipment. The directors are of opinion that the deferred tax liability will not be crystallised in the foreseeable future. This is due to the tax holiday arising from the pioneer status enjoyed by the Company and they are confident that a subsidiary will be successful in its pioneer status application.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 21. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Hire purchase and finance lease payables (Note 22)	1,786	707	1,471	707
Term loans (Note 23)	2,400	3,360	2,400	3,360
	4,186	4,067	3,871	4,067

## 22. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Minimum hire purchase and lease payments:				
- not later than one year	1,969	826	1,898	826
- later than one year and not later than five years	1,906	742	1,546	742
- later than five years	12	-	-	-
Gross hire purchase and lease payables	3,887	1,568	3,444	1,568
Less: Future finance charges	(338)	(119)	(258)	(119)
Present value of hire purchase and finance lease payables	3,549	1,449	3,186	1,449

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
The net hire purchase and finance lease payables are repayable as follows:				
Current:				
- not later than one year (Note 27)	1,763	742	1,715	742
Non-current:				
- later than one year and not later than five years	1,774	707	1,471	707
- later than five years	12	-	-	-
Total non-current portion (Note 21)	1,786	707	1,471	707
	3,549	1,449	3,186	1,449

The hire purchase and finance lease payables are for the purchase of the Group's motor vehicles and office and communication equipment.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

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

The weighted average effective interest rate per annum as at the balance sheet date of the hire purchase and lease payables of the Group and of the Company, were as follows:

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
Interest rate	6.76%	6.90%	6.79%	6.90%

## 23. TERM LOANS

	THE GROUP/THE COMPANY	
	2010 RM'000	2009 RM'000
Current portion:		
- repayable within one year (Note 27)	960	960
Non-current portion:		
- repayable between one to two years	960	960
- repayable between two to five years	1,440	2,400
Total non-current portion (Note 21)	2,400	3,360
	3,360	4,320

Details of the term loans are as follows:-

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

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 SPEED.

The weighted average effective interest rate of the term loans at the balance sheet date was 7.50% (2009 - 7.50%) per annum.

## 24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 25. DEFERRED REVENUE

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

## 26. DIVIDENDS

	THE GROUP/THE COMPANY	
	2010 RM'000	2009 RM'000
<b>Dividends paid:-</b>		
In respect of the financial year ended 30 June 2008:		
- a first and final tax-exempt dividend of 2 sen per ordinary share	-	5,464
In respect of the financial year ended 30 June 2009:		
- a first interim tax-exempt dividend of 0.455 sen per ordinary share	-	2,735
- a second interim tax-exempt dividend of 0.455 sen per ordinary share	-	2,735
- a third interim tax-exempt dividend of 0.455 sen per ordinary share	2,735	-
- a final interim tax-exempt dividend of 0.455 sen per ordinary share	2,735	-
In respect of the financial year ended 30 June 2010:		
- a first interim tax-exempt dividend of 0.50 sen per ordinary share	3,003	-
	<u>8,473</u>	<u>10,934</u>
<b>Dividend declared:-</b>		
In respect of the financial year ended 30 June 2009:		
- a third interim tax-exempt dividend of 0.455 sen per ordinary share	-	2,735

## 27. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Hire purchase and finance lease payables (Note 22)	1,763	742	1,715	742
Term loans (Note 23)	960	960	960	960
	<u>2,723</u>	<u>1,702</u>	<u>2,675</u>	<u>1,702</u>

## 28. NET ASSETS PER SHARE

The net assets per share of the Group is calculated based on the net assets value at the balance sheet date of RM84,443,000 (2009 - RM69,467,000) divided by the number of ordinary shares in issue of 600,679,000 (2009 - 601,051,000) excluding treasury shares held by the Company.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 29. REVENUE AND COST OF SALES

THE GROUP	REVENUE RM'000	COST OF SALES		GROSS PROFIT RM'000
		DIRECT RM'000	INDIRECT RM'000	
<b>2010</b>				
Electronic Government services and related services	54,334	(20,197)	#	*
Enterprise solutions	7,760	-	#	*
	62,094	(20,197)	(4,785)	37,112
<b>2009</b>				
Electronic Government services and related services	51,166	(21,074)	#	*
Enterprise solutions	1,314	-	#	*
	52,480	(21,074)	(3,291)	28,115

# 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		GROSS PROFIT RM'000
		DIRECT RM'000	INDIRECT RM'000	
<b>2010</b>				
Electronic Government services and related services	43,291	(15,341)	#	*
Enterprise solutions	9,860	-	#	*
	53,151	(15,341)	(3,566)	34,244
<b>2009</b>				
Electronic Government services and related services	39,879	(14,493)	#	*
Enterprise solutions	1,314	-	#	*
	41,193	(14,493)	(2,582)	24,118

# 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 2010 *cont'd*

## 30. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for doubtful debt	#	-	-	-
Amortisation of development costs	789	655	679	546
Audit fee:				
- for the current financial year	65	44	45	20
- (over)/underprovision in the previous financial year	6	#	8	-
Depreciation of equipment	4,412	3,467	4,054	3,292
Directors' fee	363	345	330	292
Interest expense:				
- hire purchase	29	7	6	7
- lease	220	132	220	132
- term loans	290	361	290	361
Rental expense:				
- motor vehicles	-	31	-	31
- equipment	4	13	-	-
- parking	15	15	15	15
- premises	1,649	1,483	875	793
Staff costs	6,966	4,540	4,118	2,676
Dividend income	-	-	-	(3,000)
Gain on disposal of equipment	(#)	(#)	(#)	(#)
Gain on disposal of a subsidiary	(2)	-	(40)	-
Interest income	(150)	(273)	(148)	(270)

# represents an amount less than RM1,000.

## 31. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current taxation:				
- for the current financial year	156	153	31	47
- (over)/underprovision in the previous financial year	3	(1)	-	(2)
	159	152	31	45
Deferred taxation:				
- for the current financial year (Note 20)	(2)	(1)	-	-
	157	151	31	45





# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

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

The current taxation of the Company is in respect of interest income. The Company is not subject to tax as it has been granted the Multimedia Super Corridor status, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investments Act, 1986. The Company will enjoy full exemption from income tax on its statutory income from pioneer activities for five years, from 18 July 2006 to 17 July 2011.

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 is as follows:-

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before taxation	21,009	17,315	20,253	17,802
Tax at the applicable statutory tax rate of 25%	5,252	4,329	5,063	4,450
Tax effects of:-				
Non-taxable gains	(8)	(21)	(16)	(771)
Tax exempted income	(4,952)	(1,385)	(5,311)	(1,385)
Non-deductible expenses	301	512	233	488
Utilisation of deferred tax assets not recognised in the previous financial year	(498)	(548)	-	-
Deferred tax liabilities not recognised due to pioneer status	-	(2,735)	-	(2,735)
Reversal of deferred tax liabilities not recognised in the previous financial year due to pioneer status	62	-	62	-
Under/(Over)provision in the previous financial year:				
- current year tax	3	(1)	-	(2)
Others	(3)	-	-	-
Tax for the financial year	157	151	31	45

No deferred tax asset is recognised in the balance sheet for the following item:-

	THE GROUP	
	2010 RM'000	2009 RM'000
Unutilised tax losses	612	2,617

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 32. EARNINGS PER SHARE

Basic earnings per share is arrived at by dividing the Group's profit attributable to equity holders of the Company of RM20,872,000 (2009 - RM17,198,000) by the following weighted average number of ordinary shares in issue during the financial year excluding treasury shares held by the Company.

	THE GROUP	
	2010 RM'000	2009 RM'000
Issued ordinary shares at 1.7.2009/2008	601,051	252,500
Effect of private placement	-	13,898
Effect of bonus issue	-	327,846
Effect of share buy-back	(73)	-
Weighted average shares at 30.6.2010/2009	600,978	594,244

The diluted earnings per share is not presented as there is no dilutive effect at the balance sheet date.

## 33. PURCHASE OF EQUIPMENT

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cost of equipment purchased	10,859	19,583	9,570	17,453
Amount financed through hire purchase and leasing	(3,776)	(1,050)	(3,376)	(1,050)
Cash disbursed for purchase of equipment	7,083	18,533	6,194	16,403



## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

### 34. DISPOSAL OF A SUBSIDIARY

On 23 February 2010, the Company disposed of its entire 54.5% equity interest in PDX.Net Sdn Bhd comprising 54 ordinary shares of RM1.00 each for a cash consideration of RM40,000.

The details of the net assets disposed of and the cash inflow from the disposal of the subsidiary were as follows:-

	THE GROUP	
	2010 RM'000	2009 RM'000
Equipment	34	-
Trade receivables	3	-
Other receivables	35	-
Cash and bank balances	2	-
Trade payables	(#)	-
Other payables	(12)	-
Deferred taxation	(4)	-
Fair value of identifiable net asset disposed	58	-
Add: Goodwill on consolidation	6	-
Less: Minority Interest	(26)	-
Share of group's assets	38	-
Gain on disposal of a subsidiary	2	-
Sale proceeds from disposal of a subsidiary	40	-
Cash and cash equivalents of subsidiary disposed	(2)	-
Cash flow on disposal of subsidiary	38	-

# represents an amount less than RM1,000.

The effects of the disposal of the subsidiary in the financial results of the Group in the previous financial year are as follows:

	THE GROUP	
	2010 RM'000	2009 RM'000
Revenue	14	-
Loss after taxation	(45)	-

### 35. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Fixed deposits with licensed banks (Note 15)	3,639	6,674	3,606	6,652
Cash and bank balances (Note 16)	5,186	7,886	4,210	6,564
	8,825	14,560	7,816	13,216

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 36. RELATED PARTY DISCLOSURES

### (a) Identities of related parties

The Company has controlling related party relationships with its subsidiaries as disclosed in Note 6 to the financial statements and an entity controlled by a key management personnel.

### (b) In addition to the balances 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	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
<b>Sales to:</b>				
<b>A subsidiary:</b>				
MECSB	-	-	660	-
<b>An associate:</b>				
MINT	3,960	-	5,400	-
<b>Professional fees charged by:</b>				
<b>Related party:</b>				
Embunaz Ventures Sdn Bhd*	137	81	137	81
<b>Rental charged by:</b>				
<b>Related party:</b>				
Embunaz Ventures Sdn Bhd*	55	111	55	111
<b>Key management personnel compensation:</b>				
Short-term employee benefits	762	744	609	571

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

The outstanding amount of the related parties will be settled in cash. No guarantees have been given or received. No expenses have been recognised during the financial year as bad and doubtful debts in respect of the amounts owing by the related parties.

## 37. COMMITMENTS

### Capital Commitments

Authorised capital expenditure not provided for in the financial statements:-

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
- purchase of equipment	997	2,051	-	2,051
Approved but not contracted				
- renovation	-	1,445	-	1,445



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*

## 37. COMMITMENTS *cont'd*

### Operating Lease Commitments

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

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Not later than one year	1,697	1,034	1,361	1,034
Later than one year but not later than five years	1,648	414	1,496	414
	3,345	1,448	2,857	1,448

## 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Executive directors:				
- fee	240	252	240	252
Non-executive directors:				
- fee	123	93	90	40
	363	345	330	292

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	
	2010	2009	2010	2009
<b>EXECUTIVE DIRECTORS</b>				
RM50,001 - RM100,000	2	2	2	2
RM100,001 - RM150,000	1	1	1	1
<b>NON-EXECUTIVE DIRECTORS</b>				
Below RM50,000	-	1	1	1
RM50,001 - RM100,000	2	1	1	-

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2010 *cont'd*



## 39. SEGMENTAL REPORTING

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

### Products and Services Information

	THE GROUP	
	2010 RM'000	2009 RM'000
Electronic Government services and related services	54,334	51,166
Enterprise solutions	7,760	1,314
Total revenue	62,094	52,480

### Geographical Information

The Group operates wholly in Malaysia.

### Information About Major Customers

There are no single external customers for which the revenue generated exceeded 10% of the Group's revenue.

## 40. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

### (a) Long-Term Bank Loan

The carrying amounts approximated the fair values as these instruments bear interest at variable rates.

### (b) Hire Purchase and Lease Obligations

The carrying amounts approximated the fair values of these instruments. The fair values of the hire purchase and finance lease payables are estimated using the discounted cash flow analysis based on the average effective interest rate of the Group.

### (c) Cash And Cash Equivalents And Other Short-Term Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these instruments.



## LIST OF PROPERTIES

As At 30 June 2010

The Company does not own any properties as at 30 June 2010

## ANALYSIS OF SHAREHOLDINGS

As At 16 November 2010



<b>Authorised Share Capital</b>	: RM100,000,000.00
<b>Issued and Paid-Up Capital</b>	: RM60,067,910 (excluding 371,900 treasury shares of RM0.10 each)
<b>Class of Shares</b>	: Ordinary Shares of RM0.10 each
<b>Voting Right</b>	: 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
<b>Number of Shareholders</b>	: 2,979

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% #	No. of Shares	% #
Less than 100	20	0.67	723	0.00
100 to 1,000	804	26.99	285,854	0.05
1,001 to 10,000	1,279	42.93	7,901,840	1.31
10,001 to 100,000	722	24.24	24,135,500	4.02
100,001 – less than 5% of issued shares	149	5.00	311,751,883	51.90
5% and above issued shares	5	0.17	256,603,300	42.72
<b>Total</b>	<b>2,979</b>	<b>100</b>	<b>600,679,100</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Name of Substantial Shareholders	Direct Interest	No. of Shares Held		
		% #	Indirect Interest	% #
Wong Thean Soon	28,246,006	4.70	209,157,998 <sup>1</sup>	34.82
Raja Munir Shah Bin Raja Mustapha	409,900	0.07	209,157,998 <sup>1</sup>	34.82
Asia Internet Holdings Sdn Bhd	193,695,599	32.25	-	-
Utilico Emerging Markets Limited	53,000,000 <sup>2</sup>	8.82	-	-
The Goldman Sachs Group Inc	40,104,000	6.68	-	-
Edisi Firma Sdn Bhd	36,925,140	6.15	-	-
Lembaga Tabung Haji	30,269,300	5.04	-	-
Ng Hong Sing	34,418,780	5.73	-	-
Ban Swan Gek	264,000	0.04	36,925,140 <sup>3</sup>	6.15

## Note:

# Excluding a total of 371,900 ordinary shares of RM0.10 each bought-back by the Company and retained as treasury shares as at 16 November 2010.

<sup>1</sup> Deemed interested by virtue of their substantial shareholdings in Asia Internet Holdings Sdn Bhd and Asia Internet E-Services Holdings Sdn Bhd.

<sup>2</sup> Shares held through the HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (Bermuda).

<sup>3</sup> Deemed interested by virtue of her substantial shareholdings in Edisi Firma Sdn Bhd.





# ANALYSIS OF SHAREHOLDINGS

As at 16 November 2010 *cont'd*

## DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest	No. of Shares Held		
		% #	Indirect Interest	% #
Dato' Dr Norraesah Binti Hj Mohamad	6,960,000	1.16	-	-
Wong Thean Soon	28,246,006	4.70	209,157,998 <sup>1</sup>	34.82
Raja Munir Shah Bin Raja Mustapha	409,900	0.07	209,157,998 <sup>1</sup>	34.82
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	2,500,000	0.42	1,700,000 <sup>2</sup>	0.28
Datuk Mohd Jimmy Wong Bin Abdullah	552,000	0.09	-	-
Ng Fook Ai, Victor	-	-	-	-

### Note:

# Excluding a total of 371,900 ordinary shares of RM0.10 each bought-back by the Company and retained as treasury shares as at 16 November 2010.

<sup>1</sup> Deemed interested by virtue of their substantial shareholdings in Asia Internet Holdings Sdn Bhd and Asia Internet E-Services Holdings Sdn Bhd.

<sup>2</sup> Deemed interested by virtue of his 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 <i>Pledged Securities Account for Asia Internet Holdings Sdn Bhd</i>	86,230,000	14.36
2.	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for JPMorgan Chase Bank, National Association (Bermuda)</i>	53,000,000	8.82
3.	HSBC Nominees (Tempatan) Sdn Bhd <i>Exempt An for Credit Suisse (SG BR-TST-TEMP)</i>	47,000,000	7.82
4.	Citigroup Nominees (Asing) Sdn Bhd <i>Goldman Sachs International</i>	40,104,000	6.68
5.	Lembaga Tabung Haji	30,269,300	5.04
6.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Asia Internet Holdings Sdn Bhd (MGN-AIH0001M)</i>	27,401,000	4.56
7.	M.I.T Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Edisi Firma Sdn Bhd (MG0065-195)</i>	26,925,140	4.48
8.	Affin Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Sew Hoey (Tan Siew Hoey) (TAN6986M)</i>	24,370,500	4.06
9.	M.I.T Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Hong Sing (MG0120-195)</i>	22,792,000	3.79
10.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Thean Soon (MGN-WTS0002M)</i>	20,868,000	3.47
11.	M.I.T Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Asia Internet Holdings Sdn Bhd (MG0168-195)</i>	15,752,000	2.62
12.	Asia Internet E-Services Holding Sdn Bhd	15,461,999	2.57
13.	Cartaban Nominees (Asing) Sdn Bhd <i>BBH (Lux) SCA for Fidelity Funds Asean</i>	13,845,300	2.30
14.	Jason Chan Ling Khee	11,069,599	1.84
15.	Edisi Firma Sdn Bhd	10,000,000	1.66

## ANALYSIS OF SHAREHOLDINGS

As at 16 November 2010 *cont'd*TOP THIRTY (30) SHAREHOLDERS *cont'd*

No.	Names	No. of Shares	%
16.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Asia Internet Holdings Sdn Bhd (MY0409)</i>	9,845,000	1.64
17.	Ng Hong Sing	8,000,000	1.33
18.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Wong Thean Soon (MY0691)</i>	7,200,000	1.20
19.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Asia Internet Holdings Sdn Bhd</i>	6,600,000	1.10
20.	Ahmad Fahmi Yahya Bin Osman	6,600,000	1.10
21.	Norraesah Binti Mohamad	6,520,000	1.09
22.	Then Pei Kee	5,250,000	0.87
23.	EG Industries Berhad	4,380,600	0.73
24.	HLG Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Soon Keong (CCTS)</i>	4,308,540	0.72
25.	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for JPMorgan Chase Bank, National Association (Norges BK NLEND)</i>	3,925,000	0.65
26.	Asia Internet Holdings Sdn Bhd	3,867,999	0.64
27.	HDM Nominees (Tempatan) Sdn Bhd <i>Phillip Securities Pte Ltd for Jason Chan Ling Khee</i>	3,510,240	0.58
28.	Cartaban Nominees (Asing) Sdn Bhd <i>BBH (Lux) SCA for Fidelity Funds Malaysia</i>	2,834,500	0.47
29.	Muhammad Rais Bin Abdul Karim	2,500,000	0.42
30.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Jayakumar A/L Panneer Selvam</i>	2,498,120	0.42



## NOTICE OF THE TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of MY E.G. SERVICES BERHAD will be held at Eugenia Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 23 December 2010 at 10.30 a.m. for the following purposes:

### AGENDA

- |     |  |                               |
|-----|--|-------------------------------|
| 1.  | To lay the Audited Financial Statements for the financial year ended 30 June 2010 together with the Reports of the Directors and Auditors thereon. | <b>Please refer to Note A</b> |
| 2.  | To approve a final tax-exempt dividend of 0.6 sen per ordinary share in respect of the financial year ended 30 June 2010.                          | <b>Ordinary Resolution 1</b>  |
| 3.  | To re-elect the following Directors retiring pursuant to Article 69 of the Articles of Association of the Company:                                 |                               |
| 3.1 | YM Raja Munir Shah Bin Raja Mustapha   | <b>Ordinary Resolution 2</b>  |
| 3.2 | Mr Ng Fook Ai, Victor  | <b>Ordinary Resolution 3</b>  |
| 4.  | To approve the payment of Directors' fees for the financial year ended 30 June 2010.   | <b>Ordinary Resolution 4</b>  |
| 5.  | To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.                            | <b>Ordinary Resolution 5</b>  |

### AS SPECIAL BUSINESS

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

- |    |   |                              |
|----|---|------------------------------|
| 6. | <b>AUTHORITY TO ALLOT AND ISSUE SHARES BY DIRECTORS PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965</b>   | <b>Ordinary Resolution 6</b> |
|    | <p>"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."</p>  |                              |
| 7. | <b>PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY</b>  | <b>Ordinary Resolution 7</b> |
|    | <p>"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 authority, 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:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(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 2010, the audited retained profits of the Company were approximately RM 21.097 million;</li> <li>(iii) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:</li> </ul> |                              |

## NOTICE OF THE TENTH ANNUAL GENERAL MEETING *cont'd*



- (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 DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN the final tax-exempt dividend of 0.6 sen per ordinary share in respect of the financial year ended 30 June 2010, if approved by the shareholders at the Tenth Annual General Meeting, will be paid on 24 January 2011 to Depositors whose names appear in Record of Depositors at the close of business on 11 January 2011.

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 11 January 2011 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  
 1 December 2010



## NOTICE OF THE TENTH ANNUAL GENERAL MEETING *cont'd*

### NOTES:

- (A) This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. If the proxy is not a member of the Company, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
  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 is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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 the said securities account.
  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. 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 7, if passed, will give flexibility to the Directors of the Company to issue shares and allot up to a maximum of ten per centum (10%) of the issued share capital of the Company (excluding treasury shares) at the time of such allotment and issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares for future business opportunities for the purpose of funding working capital 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 10 December 2009 and hence no proceeds were raised there from.

### Ordinary Resolution 7

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

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

Please refer to the Share Buy-Back Statement dated 1 December 2010 for further information.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING



### 1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION

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

- |     |                                      |  |
|-----|--------------------------------------|--|
| (a) | YM Raja Munir Shah bin Raja Mustapha | Retiring pursuant to Article 69 of the Company's Articles of Association |
| (b) | Mr Ng Fook Ai, Victor                | 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 77 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 2010. 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 TENTH ANNUAL GENERAL MEETING

The Tenth Annual General Meeting of the Company will be convened and held at Eugenia Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 23 December 2010 at 10.30 a.m.



*This page is intentionally left blank*

# PROXY FORM

NUMBER OF SHARES HELD

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

I/We \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)

of \_\_\_\_\_  
(ADDRESS IN 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 Tenth Annual General Meeting of the Company, to be held at Eugenia Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 23 December 2010 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 or 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 YM Raja Munir Shah Bin Raja Mustapha		
3 To re-elect Mr Ng Fook Ai, Victor		
4 To approve the payment of Directors' fees for the financial year ended 30 June 2010		
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		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010 \_\_\_\_\_  
Signature/Common Seal of Shareholder

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.
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 is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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 the said securities account.
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.



Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Company Secretary  
**MY E. G. SERVICES BERHAD**  
(505639-K)  
10th Floor, Menara Hap Seng  
No. 1 & 3, Jalan P.Ramlee  
50250 Kuala Lumpur

1<sup>st</sup> fold here



**My EG Services Berhad** (505639-K)  
Lot 5.01, Level 5, KPMG Tower,  
No.8, First Avenue, Persiaran Bandar Utama,  
Bandar Utama, 47800 Petaling Jaya, Selangor.  
Tel : 03-7801 1688 Fax : 03-7801 1788

Date : 1 December 2010

Dear Shareholders,

**RE: Electronic Dividend Payment ("eDividend")**

The Board of Directors is pleased to inform you that My E.G. Services Berhad will be providing eDividend to shareholders which will be implemented in the **final quarter of 2010**. The eDividend refers to the payment of cash dividends by the Company directly into shareholders' accounts opened and maintained with Malaysia-based banks/Financial Institutions.

**1 Benefits of eDividend**

One of the main objectives of implementing eDividend are, amongst others, to promote greater efficiency of the dividend payment system and to put the Malaysian market on par with practices in other regional markets in relation to receipt of dividend proceeds by shareholders. At the same time, the move towards eDividend is a further step towards the national agenda of migrating to electronic payments as well as adherence to best practices on paperless environment and zero-intervention process.

**2 Registration for eDividend**

Registration for eDividend had commenced from **19 April 2010** for a period of one year until 18 April 2011, at no cost to the shareholders. If you register after the one year period, an administrative charge will be imposed.

To register for eDividend, you are required to provide to Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") through your stock broker, your bank account number and other information by completing the prescribed form. This form can be obtained in due course from your stock broker's office where your CDS account is maintained, or downloaded from Bursa Malaysia's website at <http://www.bursamalaysia.com>.

You need to submit to your stock broker's office where your CDS account is maintained, the duly completed prescribed form and the following for registration: -

Individual Depositor	Corporate Depositor
<ul style="list-style-type: none"><li>• Copy of identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents.</li><li>• Copy of your bank statement / bank savings book / details of your bank account obtained from your banks website that has been certified by your bank / copy of letter from your bank confirming your bank account particulars</li></ul> <p>* Original documents must be produced for your stock broker's verification.</p>	<ul style="list-style-type: none"><li>• Certified true copy of the Certificate of Incorporation/Certificate of Registration;</li><li>• Certified true copies of bank statement / details of bank account obtained from banks website that has been certified by the bank / copy of letter from the bank confirming bank account particulars.</li></ul>

If you are not able to be present at your stock broker's office to submit the prescribed form and supporting documents, please ensure that the signing of the prescribed form and the supporting documents have been witnessed by an acceptable witness specified by Bursa Depository. In this regard, an acceptable witness includes an Authorised Officer of your stock broker, a Dealer's Representative, a notary public and an Authorised Officer of the Malaysia Embassy/High Commission.

If the CDS account is held in the name of a nominee, the nominee will register for the eDividend.

### **3 Notification of eDividend payment after registration**

You are encouraged to provide in the prescribed form to Bursa Depository both your mobile phone number and email address, if any. This is to enable the Company to issue electronic notification to you either e-mail or sms, at the discretion of the Company, once the Company has paid the cash dividend out of its account. Please note that if you provide only your mobile phone number, you may only be notified of the cash dividend payment when you receive your dividend warrant or tax certificate. You will continue to receive your tax vouchers as long as the law requires it.

### **4 Additional information for shareholders**

Your savings or current account, must be an active bank account, maintained with a local bank under your name or in the case of a joint account, has your name as one of the account holders. It must also be a bank account with a financial institution that is a member of the Malaysian Electronic Payment System Inter-Bank GIRO (IBG) set out below, which can be found on this website: [http://www.meps.com.my/faq/interbank\\_giro.asp?id=2#answer](http://www.meps.com.my/faq/interbank_giro.asp?id=2#answer)

(i) Affin Bank Berhad	(xiii) EON Bank Berhad
(ii) Alliance Bank Malaysia Berhad	(xiv) Hong Leong Bank Berhad
(iii) AmBank (M) Berhad	(xv) HSBC Bank Malaysia Berhad
(iv) Bank Islam Malaysia Berhad	(xvi) JP Morgan Chase Bank Berhad
(v) Bank Muamalat Malaysia Berhad	(xvii) Kuwait Finance House (Malaysia) Berhad
(vi) Bank Kerjasama Rakyat Malaysia Berhad	(xviii) Malayan Banking Berhad
(vii) Bank of America	(xix) OCBC Bank (Malaysia) Berhad
(viii) Bank Simpanan Nasional Berhad	(xx) Public Bank Berhad
(ix) Bank Pertanian Malaysia Berhad (Agrobank)	(xxi) RHB Bank Berhad
(x) CIMB Bank Berhad	(xxii) Standard Chartered Bank Malaysia Berhad
(xi) Citibank Berhad	(xxiii) The Royal Bank of Scotland Berhad
(xii) Deutsche Bank Berhad	(xxiv) United Overseas Bank (Malaysia) Bhd

Your bank account particulars and related information is protected under the Securities Industry (Central Depositories) Act 1991 which prohibits the disclosure of such information without your authorization. For eDividend purposes, you will be authorizing such disclosure to persons facilitating eDividend services such as the Company, the share registrar and the paying banks.

Once you have registered for eDividend, any cash dividend entitlement of which the book closure date is announced by the Company on or after **1 September 2010**, shall be paid to you via eDividend.

You may find more information pertaining to e-Dividend on the Bursa Malaysia website at <http://www.bursamalaysia.com/website/bm/trading/edividend.html>

We look forward to a successful implementation of eDividend through your active participation, and to serve you better as our valued shareholders. If you have any queries relating to our eDividend service, please do not hesitate to contact our Share Registrar, Symphony Share Registrars Sdn Bhd at 03-7841 8000.

Thank you.

Yours faithfully  
Dato' Dr Norraesah Binti Haji Mohamad  
Executive Chairman