www.myeg.com.my

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MY E.G. SERVICES BERHAD (505639-K) ANNUAL REPORT 2009

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

ANNUAL REPORT 2009

access granted

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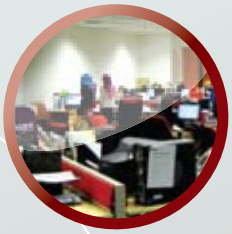

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CORPORATE STRUCTURE

myeg

Development and implementation of E-Government services and the provision of other related services for the E-Government Initiative

100% — mySPEED.com Sdn Bhd (SPEED)

Provision of business of creating, implementing and operating electronic business activities including electronic commerce delivery services, multimedia related activities and other computerized or electronic services

100% — Gale Vector Sdn Bhd (GVSB)

Provision of software solution and maintenance services

54.5% — PDX.net Sdn Bhd (PNSB)

Provision of E-insurance solutions and other insurance-related services

100% — MY E.G. Commerce Sdn Bhd (MECSB)

Provision of auto insurance intermediary services

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

Lim Ming Toong (MAICSA 7000281)
Tan Ley Theng (MAICSA 7030358)
Mah Li Chen (MAICSA 7022751)

REGISTERED OFFICE

10th Floor Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur
Tel : 03-2382 4288
Fax : 03-2382 4170

CORPORATE HEAD 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 8888
Fax : 03-7801 8889
Email : investors@myeg.com.my
Website : www.myeg.com.my

AUDITORS

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 26 Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2530 / 03-2721 2531

PRINCIPAL BANKERS

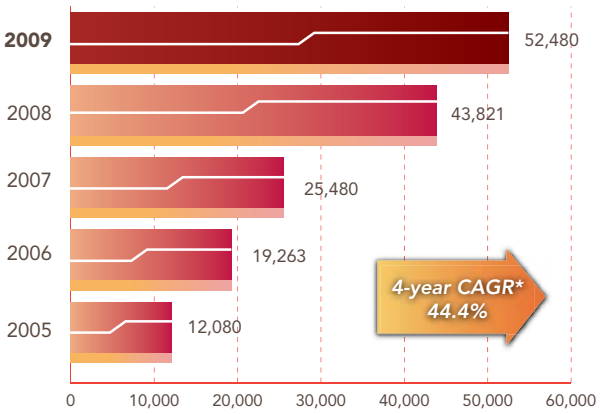
RHB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

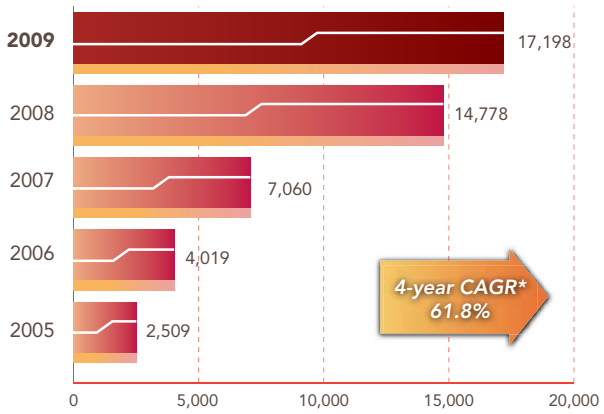
Main Market of Bursa Malaysia Securities Berhad
Stock Code: 0138

FINANCIAL HIGHLIGHTS

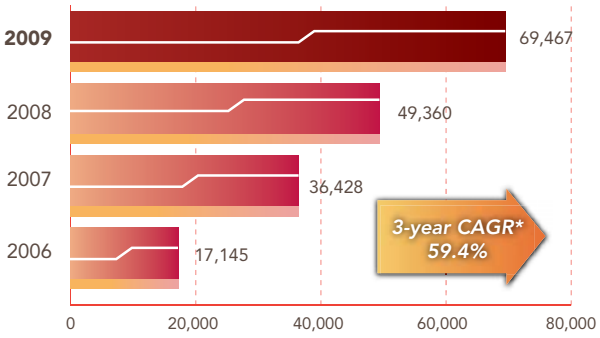
TURNOVER (RM'000)



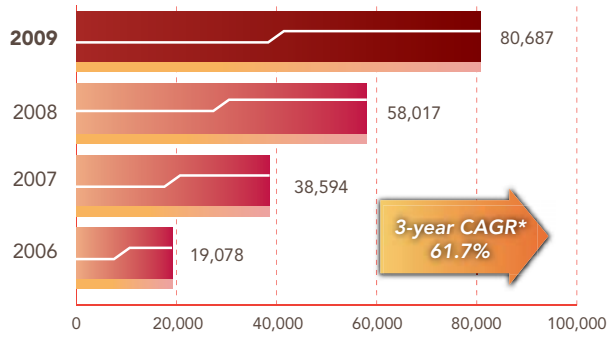
NET PROFIT (RM'000)



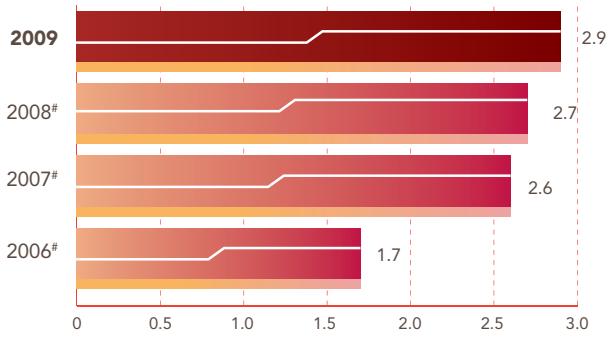
SHAREHOLDERS' EQUITY (RM'000)



TOTAL ASSETS (RM'000)



NET EARNINGS PER SHARE (SEN)



* CAGR = Compounded Annual Growth Rate
\# 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)	2006	2007	2008	2009
Turnover	19,263	25,480	43,821	**52,480**
EBITDA^	4,713	8,547	17,678	**21,937**
Profit Before Tax	4,118	7,117	14,825	**17,315**
Net Profit	4,019	7,060	14,778	**17,198**

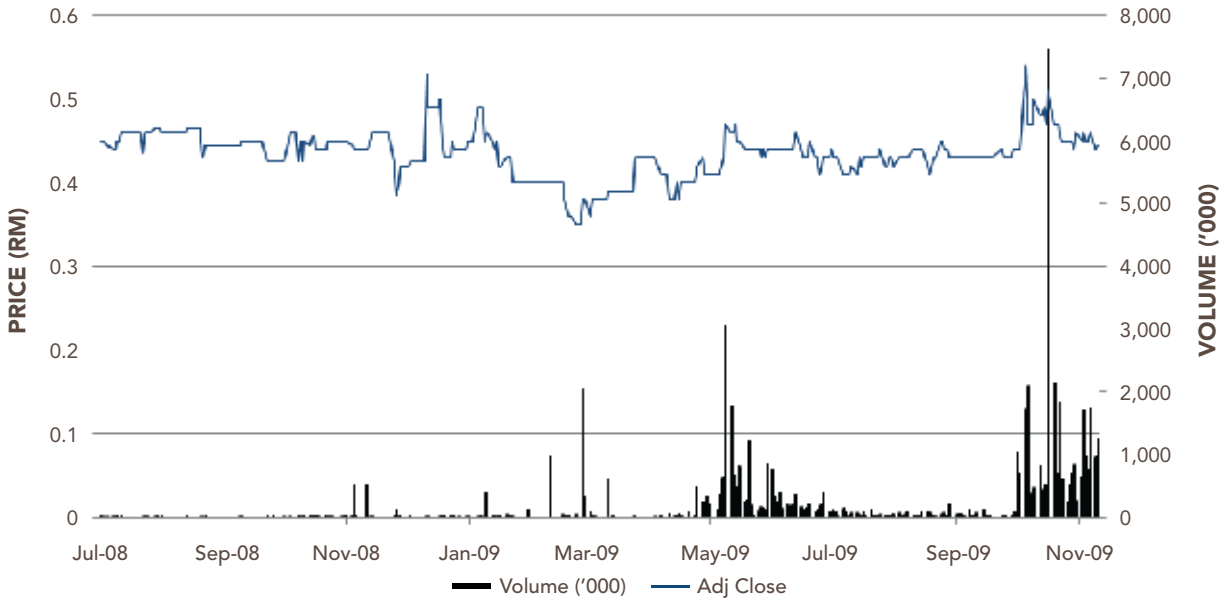
Summarized Group Balance Sheets As At 30 June (RM'000)	2006	2007	2008	2009
Equipment	3,946	8,658	17,479	**33,595**
Development Costs	4,601	5,527	7,009	**8,732**
Goodwill on Consolidation	2,601	2,601	12,022	**12,022**
Current Assets	7,930	21,808	21,507	**26,338**
Current Liabilities	1,854	1,740	3,489	**7,101**
Net Current Assets	6,076	20,068	18,018	**19,237**
	17,224	36,854	54,528	**73,586**
Financed By:				
Share Capital	10,075	12,625	25,250	**60,105**
Share Premium	-	9,673	-	**-**
Retained Profits	7,070	14,130	24,110	**9,362**
Shareholders' Equity	17,145	36,428	49,360	**69,467**
Minority Interests	66	87	80	**46**
	17,211	36,515	49,440	**69,513**
Non-Current Liabilities				
Long-Term Borrowings	-	331	5,081	**4,067**
Taxation	13	8	7	**6**
	17,224	36,854	54,528	**73,586**

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

^ EBITDA= Earnings Before Interest, Taxes, Depreciation and Amortization
# Adjusted for 6-for-5 Bonus Issue on 24 December 2008

SHARE PRICE PERFORMANCE~

for the period 1 July 2008 to 10 November 2009



~ Prices adjusted for 6-for-5 Bonus Issue on 24 December 2008

Share Price Information

Period High	RM0.64 (19 December 2008)
Closing Price as at 10 November 2009	RM0.45

Market Value Ratios as at 10 November 2009

Historical PE	15 . 7 x
Price/Book Ratio	5 . 6 x

CHAIRMAN'S STATEMENT

Dear Shareholders,

The Board of Directors of My E.G. Services Berhad ("MYEG" or "the Company") is pleased to present to you the Company's Annual Report and financial statements for the financial year ended 30 June 2009 ("FY2009").

The year under review registered our remarkable progress and reaffirmed us as the leading electronic Government ("e-Government") services provider in Malaysia. MYEG is in the forefront of promoting e-Government transactions to the Malaysian public.

MYEG's most significant accomplishment during the year under review was its successful transfer of the listing status from the MESDAQ Market to the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). We are immensely proud of this remarkable achievement, given that the Group was elevated to the Main Board just two years after our Initial Public Offering.

Against this backdrop, we are more determined than ever to sustain our growth, and to continue playing a pivotal role in enabling the Government improve its delivery system and develop a highly-efficient and technologically-advanced infrastructure for the benefit of the general public.

FINANCIAL PERFORMANCE

MYEG's group revenue grew 19.8% year-on-year to RM52.5 million from RM43.8 million in the previous year, largely due to the tremendous response to the Group's latest service offerings, ie the online road tax renewal and auto insurance renewal which were launched in April 2008. The growing adoption of these services mark another success story in the Group's strategy to introduce services that would greatly improve e-Government transactions for public convenience.

Group profit before tax amounted to RM17.3 million in FY2009 compared to RM14.8 million previously, while Group net profit attributable to shareholders grew a healthy 16.4% to RM17.2 million from RM14.8 million in the previous year. Earnings per share stood at 2.9 sen in FY2009 compared to 2.7 sen previously.

CHAIRMAN'S STATEMENT
cont'd

From a wider perspective, the Group revenue recorded commendable compounded annual growth rates ("CAGR") of 44.4% from FY2005 to FY2009, while Group net profits saw 61.7% in CAGR in the same period. We believe this demonstrates the Group's strong business model that is resilient through the economic cycles.

The Group maintained a healthy balance sheet, with shareholders' equity totaling RM69.5 million as at 30 June 2009, versus RM49.4 million in the previous year. Furthermore, the Group reduced its total borrowings to RM5.8 million as at end-June 2009, versus RM6.5 million previously, which led to the Group remaining in net cash position in the year under review.

DIVIDEND

With the Group turning in a commendable report card, the Board is pleased to recommend for shareholders' approval at the upcoming Annual General Meeting a fourth and final tax exempt dividend of 0.455 sen per share in respect of FY2009.

The proposed dividend would bring the total dividend declared to 1.82 sen per share in respect of FY2009, translating to dividend payout of RM10.9 million for the year under review, or 63.6% of the Group's net profit. This would be the second consecutive year that the Group has paid over and above the dividend policy of distributing 30% of its net profit to shareholders. The Board is appreciative of shareholders' continuous support.

CORPORATE EXERCISES

- ***10% Private placement and 6-for-5 Bonus Issue***

On 30 October 2008, the Group completed a private placement of 20.71 million new ordinary shares of par value RM0.10 each ("MYEG Shares"), which were listed and quoted on the MESDAQ Market of Bursa Malaysia on 31 October 2008 and subsequently transferred to the Main Board of Bursa Malaysia on 7 January 2009.

The private placement raised gross proceeds of approximately RM17.0 million, the status of which is detailed below:

Purpose	Proposed Amount	Utilisation	Balance as at 30 June 2009	Expected Timeframe To Be Used
	RM'000			
Capital Expenditure	7,900	7,900	-	24 months
Advertising, Marketing and Promotion Expenses	3,685	1,034	2,651	24 months
Working Capital	4,993	4,993	-	24 months
Bonus Issue /Share Issue Expenses	400	400	-	6 months
TOTAL	**16,978**	**14,327**	**2,651**	

The Group also undertook a 6-for-5 Bonus Issue exercise, which was implemented after the private placement. The Bonus Issue entailed an issuance of 327.85 million new MYEG shares, which were listed and quoted on the MESDAQ Market of Bursa Malaysia on 24 December 2008.

- ***Increase of share capital and transfer to Main Board of Bursa Malaysia***

Upon completion of the Bonus Issue, MYEG's issued and paid-up share capital increased from RM27.3 million to RM60.1 million comprising of 601.1 million MYEG Shares, thus fulfilling the minimum requirement of RM60 million share capital to transfer to the Main Board of Bursa Malaysia.

The Group also met the profit track record criteria, registering an aggregate consolidated net profit of RM30.53 million for five consecutive financial years ended 30 June from 2004 to 2008.

MYEG ushered in the new year on a positive note, with the Group's transfer to the Main Board of Bursa Malaysia completed on 7 January 2009. We believe that our position in the Main Board, which is now known as the Main Market, has not only increased the capital base of the Group to enhance our current operations, but also places the Group in good stead to expand our reach to the domestic and regional investors.

CHAIRMAN'S STATEMENT
cont'd

FUTURE OUTLOOK

Recognizing the ever-growing preferences in Internet usage amongst Malaysians, the Malaysian Communications and Multimedia Commission ("MCMC") added e-Government transactions as one of the new reasons Malaysians went online in 2008.

In fact, the results of the 'Household Use of the Internet Survey 2008' which were released in February 2009 showed that almost 20% of all Malaysian Internet users went online to conduct e-Government transactions in 2008.

This as an encouraging start, which definitely signals a great potential and future for MYEG.

Internet Activities of M'sian households in 2008	Percentage share of household user base
Getting information	94.4
Text communications	84.7
Leisure	63.5
Education	64.5
Financial activities	31.8
Public services	29.2
E-Government transactions	19.8
Online stock trading	5.9
Others	0.7

Source : Household use of the Internet Survey 2008, MCMC, Feb 2009

Thus, the Group will embark on the following initiatives to tap into the growth opportunities ahead:

(i) Continue to implement its aggressive marketing campaign in order to create top-of-mind awareness for MYEG as Malaysia's e-Government services provider.
(ii) Continue to focus on organic growth, by expanding our geographical reach nationwide.
(iii) Maintain our emphasis on Research and Development ("R&D") in order to facilitate the continuous introduction of new services, and hone our competitive edge in the e-Government sector at the same time.

With these strategies in place, we believe that the Group is poised to continue building our positive track record, and be able to serve the public even more significantly in the future.

CORPORATE SOCIAL RESPONSIBILITY

Whilst we pursue our business in earnestness, we acknowledge our responsibility in no less degree to our employees, business partners and the communities in which we carry out business activities, as well as to the environment we operate in.

To this end, some of the activities that had been undertaken during the financial year include:

(i) Adopting of health and safety policy and programme to look into the overall welfare of our staff, property and public.
(ii) Providing various in-house and external training programme to enhances employees 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 Board believes in maintaining high standards of Corporate Governance practices within the Group as a fundamental aspect in discharging our responsibilities to protect and maximize shareholders' value, as well as enhance the business prosperity of the Group. These measures are highlighted in the Corporate Governance Statement in this Annual Report.

ACKNOWLEDGEMENTS

I would like to express my heartfelt gratitude to my fellow Board members, management and employees for their continuous dedication and hard work that contributed towards the success and achievements of MYEG.

Our appreciation also goes to our valued shareholders, business partners, bankers and customers for their support in the Group's e-Government initiatives.

Last but not least, I would also like to express MYEG's gratitude to the relevant Government agencies and authorities for enabling MYEG to enhance their e-Government efforts, and look forward to collectively achieve the goals of the nation.

DATO' DR NORRAESAH BINTI HAJI MOHAMAD
Executive Chairman

BUSINESS REVIEW

OPERATIONS REVIEW

The Group continued its record revenue streak in the year under review, registering RM52.5 million in FY2009 versus RM43.8 million in FY2008.

The increase was mainly attributed to the growing adoption of the Group's latest online road tax renewal and auto insurance renewal services launched in April 2008. The year under review had seen the Group establish collaborations with numerous banks and insurance companies in order to provide end-users with a wider range of options as well as enable the Group to reach out to a larger segment of the general public.

Such measures have clearly paid off, with the new services not only recording double-digit growth in number of transactions on a monthly basis, but also contributing approximately 10% of total FY09 revenues. Indeed, the growing acceptance of our services clearly proves that our solutions are both user-centric and user-friendly.

However, the strong demand for online road tax and auto renewal service was offset by a decrease in overall demand for Highway Code theory test taking services, as students chose to defer the process of obtaining their driving license due to the less-favorable economic conditions in FY2009. Nonetheless, the Group believes that this is a temporary situation, and that demand for this service is expected to revive with economic recovery.

The year under review also saw the Group undertaking an aggressive advertising and promotion ("A&P") campaign, in line with our objective of enhancing awareness for MYEG's brand and direct traffic to our e-Government portal at www.myeg.com.my. Our A&P initiatives encompassed the breadth of conventional to modern media, including print media, television, radio, billboards, and blogs, in order to effectively reach our target audience.

MYEG also embarked on sponsorships on highly-popular radio and television programs to create a positive brand image, with the sponsored programs typically associated with best service, speed, accuracy, and convenience - values that embody MYEG's services.

One of our most notable marketing activities in the year entailed MYEG teaming up with ESPN STAR Sports' SportsCenter Malaysia to run a viewers' choice home video contest dubbed "Catch Your Best Shot on SportsCenter", where the Grand Prize was a trip for two to watch the 2009 UEFA Champions League final 'live' in Rome in May 2009. The contest, officially launched by the Prime Minister's wife, Datin Paduka Seri Rosmah Mansor, succeeded in elevating the Group to a higher status amongst the general public, whilst incentivizing the public to adopt multimedia and online applications at the same time.

On the whole, the Group's aggressive marketing and A&P expenditure, coupled with higher depreciation, resulted in the Group recording pre-tax margin of 33.0% in FY2009, compared to 33.8% in the previous year. Even so, the Group views the vigorous marketing strategy as a necessary investment for the future, to enable MYEG to leverage on our first-mover advantage and occupy a premium position in the minds of the general public.

The Group also grew its network of E-Service Centers from 54 in FY2008 to 65 in FY2009, to improve public accessibility to the Group's e-Government transactions. The new E-Service Centers, under the "MYEG" and "Speed" brand names, are largely concentrated in East Malaysia, as well as in suburban and rural towns.

Furthermore, the Group more-than-doubled the number of E-Service Kiosks deployed nationwide in the year under review to 315, from 140 previously. The significant increase in deployment of E-Service Kiosks was not only in line with the Group's growing number of E-Service Centers, but also due to the increased rollout to an expanding network of vehicle-financing banks and insurance companies to assist them in renewing auto insurance and conducting insolvency searches.

All said, the Group has grown from strength to strength in the year under review, and we look forward to another successful year ahead.

R&D

As a technology player, the Group has pledged an unfaltering commitment to consistent R&D in order to continuously develop pioneering e-Government solutions for the convenience of both Government agencies as well as the public. In tandem with this emphasis, the Group allocated RM0.9 million for R&D initiatives in FY2009, versus RM0.4 million in the previous year.

The Group's current R&D activities encompass a pipeline of e-Government services, including online application of vehicle registration numbers, tax monitoring system for the Customs Department, and online application for MyKad replacement, amongst others. With these initiatives in hand, the Group is confident of maintaining our position as Malaysia's premier e-Government services provider.

BUSINESS REVIEW
cont'd

GROWTH STRATEGIES

Moving forward, we at MYEG see the huge potential to digitize more Government services that are currently transacted over the counter in Malaysia.

While mindful of the impact of the global economic slowdown in our country, we believe that the demand for our e-Government services has much room for growth in light of increasing internet penetration and rising awareness of the convenience of adopting e-Government transactions for greater efficiency.

In light of this, the Group will maintain our intensive marketing campaign with the aim of making MYEG a household brand that is synonymous with innovative, speedy and efficient e-Government services. In addition to running print and electronic advertisements, the Group would continue to seek sponsorship opportunities to brand MYEG on the national arena to our target audience, consisting of the internet-savvy users that place a premium on convenience.

At the same time, the marketing activities would also serve to encourage other Government agencies to move up the value-chain of operational efficiency by providing their services online. We will continue to work closely with Government departments and agencies to enhance public services delivery and offer more convenience to the public.

MYEG also plans to expand the geographical reach of our E-Service Centers to enhance public access to e-Government services. The Group targets to open approximately another 30 E-Service Centers in FY2010, bringing the number of E-Service Centers to a total of 95 nationwide. We believe that the establishment of more E-Service Centers in the suburban and rural areas will play a crucial role in enabling all Malaysians to grasp the convenience of e-Government services, and propel the society towards a higher rate of technological adoption.

Lastly, the Group would continue to take a proactive stance in developing e-Government services by sustaining our R&D activities in the current financial year.

With all these initiatives in place, we are optimistic of MYEG's prospects in the coming years, and look forward to the brighter future ahead.

EVENTS HIGHLIGHT

TRANSFER TO MAIN MARKET OF BURSA MALAYSIA

On 7 January 2009, MYEG successfully completed its transfer listing from the MESDAQ Market to the Main Board (now known as Main Market) of Bursa Malaysia.

ESPN STAR SPORTS' SPORTSCENTER MALAYSIA FOR HOME VIDEO CONTEST

In January 2009, MYEG teamed up with ESPN STAR Sports' SportsCenter Malaysia to run a viewers' choice home video contest dubbed "Catch Your Best Shot on SportCenter".

The contest was officially launched by Datin Paduka Seri Rosmah Mansor on 23 January 2009. The launch was also attended by Dato' Sri Ismail Sabri Yaakob, Minister of Youth and Sports and Datuk Lee Chong Wei, the well-known international badminton player of Malaysia.

FINALIST IN MSC MALAYSIA ASIA PACIFIC ICT AWARD (APICTA) 2009

In October 2009, MYEG was nominated as one of the finalists of Best E-Government Application in MSC Malaysia APICTA 2009 Awards.

CONFERENCES AND EXHIBITIONS

MYEG participated actively in several exhibitions organized by Unit Pemodenan Tadbiran Dan Perancangan Pengurusan Malaysia (MAMPU), Jabatan Pengangkutan Jalan (JPJ) and other government agencies. These exhibitions are part of MYEG's corporate social responsibility to reach out to the Malaysian public and create awareness of improvements in the Government internal operations and in the delivery of services to the consumers.

MYEG also took part in conferences and exhibitions held abroad.

In October 2008, MYEG was invited to participate in the Gulf Information Technology Exhibition ("GITEX") held in Dubai. This exhibition provided the Middle East governments a clearer understanding of e-Government and what it can do for businesses and consumers. Our participation also represented a good opportunity for MYEG to explore the market potential in the Middle East, in particular the United Arab Emirates.

In our efforts to enhance investor relations, MYEG, on the invitation of Bursa Malaysia Securities Berhad, also participated in the Asian Investment Conference and Exhibition ("AICE") in July 2009 in Singapore. The two-day investors' conference enabled MYEG to reach out to more foreign investors.

DIRECTORS' PROFILE

DATO' DR NORRAESAH BINTI HAJI MOHAMAD
Executive Chairman

Dato' Dr Norraesah Binti Haji Mohamad, a Malaysian aged 61, was appointed to the Board on 18 August 2006.

She graduated with a Bachelor of Arts (Hons) Economics from University of Malaya in 1972. In 1982, she obtained her Masters in International Economics Relations from International Institute of Public Admininistration, France and Masters in International Economics and Finance from University of Paris I, Pantheon-Sorbonne, France. She further obtained a PhD (Economics Science) International Economics and International Finance from University of Paris I, Pantheon-Sorbonne, France in 1986. She has over 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 serves on the Organisation of Islamic Conference ("OIC") countries. 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 and Adventa Berhad, all listed on Bursa Malaysia. 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 38, 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 maintainence of communication applications on the Internet in various technology companies, both local and abroad. He commenced his career in the ICT industry in 1995 with Cybersource Pte Ltd, Singapore as co-founder and Executive Director of the company. During his tenure there, he oversaw the development of PictureMail, an integrated graphical e-mail package, which was licensed to Sony, among others. He was also in charge of developing and marketing an additional product, the Global Messaging System, which was licensed 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 46, 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 Tanjung Division, a position he still holds presently. He is also a committee member of the Penang UMNO State Liaison and currently heads the multimedia secretariat.

He is currently a Director of Longstore Logistics (M) Sdn Bhd. He also sits on the board of several private limited companies.

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 63, 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.

DIRECTORS' PROFILE
cont'd

NG FOOK AI VICTOR
Independent Non-Executive Director

Ng Fook Ai Victor, a Singaporean aged 61, 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.

DATUK MOHD JIMMY WONG BIN ABDULLAH
Independent Non-Executive Director

Datuk Mohd Jimmy Wong Bin Abdullah, a Malaysian aged 47, 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.

DIRECTORS' PROFILE
cont'd

Notes to Directors' Profile:

1. ***Family Relationship of Directors***
   None of the Directors has any family relationship with any Director and/or major shareholders of the Company.

2. ***Conviction of Offences***
   None of the Directors has been convicted for any offences (other than traffic offences) within the past 10 years.

3. ***Conflict of Interest***
   Save for what is disclosed under Additional Compliance Information (Related Party Transactions) on page 32 of this Annual Report, all the Directors have no conflict of interest with the Company and its subsidiaries.

4. ***Attendance at Board Meetings***
   The details of attendance of the Directors at the Board Meetings are set out on page 19 of this Annual Report.

5. ***Interest in Shares***
   The particulars of the Directors' interest in securities of the Company are set out in the Analysis of Shareholdings on pages 78 to 80 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") is committed to ensuring that the principles and best practices on corporate governance 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.

Set out below is a 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.

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 strategies, 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.

A brief profile of each Director is presented on pages 13 to 17 of this 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 overseas 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 2009, a total of five (5) Board meetings were held and the details of attendance of the Directors during their respective tenure are set out as follows:

Name of Director	Designation	Meetings Attended
Dato' Dr Norraesah Binti Haji Mohamad	Executive Chairman	4/5
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 *(Appointed on 31 December 2008)*	Independent Non-Executive Director	2/2
Brigadier General (Rtd) Dato' Ameerudeen Bin Mohamed Noor *(Retired on 5 December 2008)*	Independent Non-Executive Director	3/3

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 development, 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.

CORPORATE GOVERNANCE STATEMENT
cont'd

BOARD COMMITTEES cont'd

(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 24 to 28 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

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 appointments 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 (⅓) 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.

CORPORATE GOVERNANCE STATEMENT
cont'd

BOARD COMMITTEES cont'd

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 Malaysia Securities Berhad ("Bursa Securities").

All the Directors were also constantly given in-house briefings by the Company Secretaries on the various amendments to the Listing Requirements of Bursa Securities for the Main Market.

As at the date of this Annual Report, the Directors have attended the following trainings, seminars, conferences, exhibitions and speaking engagements which they considered useful to enhance their business acumen and skills to meet challenging commercial risks and challenges:

Dato' Dr Norraesah Binti Haji Mohamad	• Importance of Strategy Execution • The EVA approach to Value Creation • Risk Management-challenges and opportunities • Ideas for Corporate Development Planning • Managing Sustainable Growth and Competitiveness in the Globalised Era • The 5th Taipei Corporate Governance Forum • National Tax Convention 2008 • Tax Budget Seminar 2008 The Inside Story of the Annual Report
Wong Thean Soon	• Best Practice of Boardroom Affair • AICE • Analysts Briefings
Raja Munir Shah Bin Raja Mustapha	• Best Practice of Boardroom Affair • GITEX 2008 • Exhibitions organized by MOSTI • Exhibitions organized by MAMPU • Exhibitions organized by JPJ
Datuk Mohd Jimmy Wong Bin Abdullah	• Best Practice of Boardroom Affair
Ng Fook Ai Victor	• Torch Energy Finance Roundtable • Cleantech Seminar Fundamentals for Senior Mgt • Finance of Mining and Resources Seminar
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	• Chairman's forum, Malaysian Directors Academy ("MINDA")

Directors' Remuneration

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

CORPORATE GOVERNANCE STATEMENT
cont'd

BOARD COMMITTEES cont'd

Directors' Remuneration cont'd

Details of the aggregate remuneration of Directors for the financial year ended 30 June 2009 are as follows:

	Fees (RM'000)	Salaries (RM'000)	Allowances (RM'000)	Benefits In Kind (RM'000)	Total (RM'000)
Executive Directors	252	-	-	-	252
Non-Executive Directors	93	-	-	-	93
Total	345	-	-	-	345

Remuneration Bands	Executive Directors	Non-Executive Directors	Total
Below RM50,000	-	1	1
RM50,001 – RM100,000	2	1	3
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 developments, information is disseminated via Annual Report, circulars to shareholders, press releases, quarterly financial results and various announcements made from time to time to Bursa Securities.

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

Internal Controls

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

CORPORATE GOVERNANCE STATEMENT
cont'd

ACCOUNTABILITY AND AUDIT cont'd

Internal Controls cont'd

The Statement on Internal Control set out on pages 29 to 30 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 24 to 28 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 2009, 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 2009.

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*
(Appointed on 31 December 2008)

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 2009 are as follows:

	Meetings Attended
Chairman	
Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim *Independent Non-Executive Director* *(Appointed on 31 December 2008)*	2/2
Brigadier General (Rtd) Dato' Ameerudeen Bin Mohamed Noor *Independent Non-Executive Director* *(Retired on 5 December 2008)*	3/3
Members	
Datuk Mohd Jimmy Wong Bin Abdullah *Independent Non-Executive Director*	5/5
Ng Fook Ai Victor *Independent Non-Executive Director*	5/5

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.

AUDIT COMMITTEE REPORT
cont'd

COMPOSITION AND TERMS OF REFERENCE cont'd

1. Composition cont'd

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

Fulfils 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.

AUDIT COMMITTEE REPORT
cont'd

COMPOSITION AND TERMS OF REFERENCE cont'd

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.

6. Duties

(a) To review with the external auditors on:
- the audit plan, its scope and nature;
- the audit report;
- the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
- the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.

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

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

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

(e) To review with management:
- audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
- interim financial information; and
- the assistance given by the officers of the Company to external auditors.

(f) To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

AUDIT COMMITTEE REPORT
cont'd

COMPOSITION AND TERMS OF REFERENCE cont'd

6. Duties cont'd

(g) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors, focusing particularly on:
- 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.

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.

AUDIT COMMITTEE REPORT
cont'd

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 29 to 30.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Board is pleased to include 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 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 2009.

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 manage risks affecting the Group;
- Compliance with applicable laws, regulations, rules, directives and guidelines; and
- Operational results are being closely monitored and significant variances are promptly addressed.

Given the inherent limitations in any system of internal control, such systems 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 recognizes 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 2009, 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 2009, the amount of fees incurred in respect of the internal audit reviews performed by the professional service firm was approximately RM68,000.

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 of internal control.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

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

Purpose	Proposed Utilisation RM'000	Amount Utilised RM'000	Balance Utilisation RM'000
Capital Expenditure	7,900	7,900	-
Advertising, Marketing and Promotion Expenses	3,685*	1,034	2,651
Working capital	4,993	4,993	-
Bonus Issue/Share Issue expenses	400	400	-
Total	16,978	14,327	2,651

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 Extraordinary General Meeting of the Company held on 5 December 2008, the Company had obtained the shareholders' authority to implement a share buy-back scheme 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 did not purchase its own shares from the open market of Bursa Malaysia Securities Berhad.

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 2009.

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

During the financial year ended 30 June 2009, 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.

6. NON-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 2009 amounted to approximately RM11,000.

7. MATERIAL CONTRACTS

Other than the related party transactions of a revenue or trading nature as disclosed in paragraph 11 below, there were no material contracts subsisting at the end of financial year ended 30 June 2009 entered into by the Company and its subsidiaries involving the interests of the Directors and major shareholders.

ADDITIONAL COMPLIANCE INFORMATION
cont'd

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 2009 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.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE

The Company obtained the shareholders' mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("RRPT") in their ordinary course of business at the Annual General Meeting held on 5 December 2008.

The Company will not be seeking for shareholders' approval for the renewal of the shareholders' mandate for the existing RRPT at the forthcoming Annual General Meeting of the Company to be held on 10 December 2009, for the reason that the Group does not expect the yearly aggregate value of the RRPT entered or to be entered into with any related party to exceed the prescribed limit of RM1.0 million or the percentage ratio of 1%, whichever is higher, as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of the RRPT in the normal course of business of MYEG Group made during the financial year ended 30 June 2009 pursuant to the aforesaid shareholders' mandate are as follows:

Transacting company within MYEG Group	Party transacting with MYEG Group	Related party	Nature of transactions	Annual aggregate value of transactions (RM)
MYEG	Embunaz Ventures Sdn Bhd (Company No. 620304-X) ("Embunaz")	Dato' Dr Norraesah Binti Haji Mohamad, the Executive Chairman and a shareholder of MYEG is also the Executive Chairman and major shareholder of Embunaz.	Rental of premises	111,000
MYEG	Embunaz	Dato' Dr Norraesah Binti Haji Mohamad, the Executive Chairman and a shareholder of MYEG is also the Executive Chairman and major shareholder of Embunaz.	Professional fees	81,000

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 2009.

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	THE COMPANY
	RM'000	RM'000
Profit after taxation for the financial year	17,164	17,757
Attributable to:		
Equity holders of the Company	17,198	17,757
Minority interests	(34)	-
	17,164	17,757

DIVIDENDS

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

(a) a first and final tax-exempt dividend of 2 sen per ordinary share amounting to approximately RM5,464,000 in respect of the previous financial year as proposed in the directors' report of that financial year;

(b) a first interim tax-exempt dividend of 0.455 sen per ordinary share amounting to approximately RM2,735,000 in respect of the current financial year; and

(c) a second interim tax-exempt dividend of 0.455 sen per ordinary share amounting to approximately RM2,735,000 in respect of the current financial year.

The Company declared a third interim tax-exempt dividend of 0.455 sen per ordinary share amounting to approximately RM2,735,000 in respect of the current financial year.

The directors propose the payment of a final tax-exempt dividend of 0.455 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.

DIRECTORS' REPORT
cont'd

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) the Company 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;

(b) the Company 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 the capitalisation of retained earnings and share premium.

All the new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company; and

(c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

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.

DIRECTORS' REPORT
cont'd

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.

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 (APPOINTED ON 31.12.2008)

WONG THEAN SOON

RAJA MUNIR SHAH BIN RAJA MUSTAPHA

DATUK MOHD JIMMY WONG BIN ABDULLAH

NG FOOK AI VICTOR

BRIGADIER GENERAL (RTD) DATO' AMEERUDEEN BIN MOHAMED NOOR (RETIRED ON 5.12.2008)

DIRECTORS' REPORT
cont'd

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 1.7.2008/ * DATE OF APPOINTMENT	BONUS ISSUE	BOUGHT	SOLD	AT 30.6.2009
THE COMPANY					
DIRECT INTERESTS					
DATO' DR NORRAESAH BINTI HAJI MOHAMAD	2,800,000	3,360,000	-	-	**6,160,000**
TAN SRI DATO' DR MUHAMMAD RAIS BIN ABDUL KARIM (* APPOINTED ON 31.12.2008)	2,200,000	-	-	-	**2,200,000**
WONG THEAN SOON	7,990,000	9,588,006	1,300,000	-	**18,878,006**
RAJA MUNIR SHAH BIN RAJA MUSTAPHA	99,500	119,400	319,000	-	**537,900**
DATUK MOHD JIMMY WONG BIN ADBULLAH	160,000	192,000	200,000	-	**552,000**
INDIRECT INTERESTS					
TAN SRI DATO' DR MUHAMMAD RAIS BIN ABDUL KARIM [1] (* APPOINTED ON 31.12.2008)	2,200,000	-	-	-	**2,200,000**
WONG THEAN SOON [2]	103,385,000	124,061,998	21,206,000	(30,195,000)	**218,457,998**
RAJA MUNIR SHAH BIN RAJA MUSTAPHA [2]	103,385,000	124,061,998	21,206,000	(30,195,000)	**218,457,998**

[1] Indirect interest through his son's shareholding by virtue of Section 134(12)(c) of the Companies Act, 1965.
[2] Indirect interests through their interests in Asia Internet Holdings Sdn Bhd ("AIH") and Asia Internet E-Services Holdings Sdn Bhd ("AIEH").

By virtue of their shareholdings in AIH and AIEH, Wong Thean Soon and 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 32 to the financial statements.

DIRECTORS' REPORT
cont'd

DIRECTORS' BENEFITS cont'd

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. Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 28 OCTOBER 2009

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 41 to 76 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company at 30 June 2009 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 28 OCTOBER 2009

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 41 to 76 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Wong Thean Soon I/C No. 710604-08-5153
at Kuala Lumpur in the Federal Territory
on this 28 October 2009

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 2009 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 41 to 76.

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 2009 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MY E.G. SERVICES BERHAD
(Incorporated in Malaysia) Company No: 505639 - K
cont'd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS cont'd

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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.

HORWATH
Firm No: AF 1018
Chartered Accountants

LEE KOK WAI
Approval No: 2760/06/10 (J)
Partner

Kuala Lumpur

28 October 2009

BALANCE SHEETS
AT 30 JUNE 2009

	NOTE	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	**-**	-	**13,196**	12,896
Equipment	7	**33,595**	17,479	**31,223**	17,062
Development costs	8	**8,732**	7,009	**8,551**	6,719
Goodwill on consolidation	9	**12,022**	12,022	**-**	-
		54,349	36,510	**52,970**	36,677
CURRENT ASSETS					
Trade receivables	10	**2,395**	1,415	**1,820**	890
Other receivables, deposits and prepayments	11	**9,374**	8,814	**7,973**	7,450
Amount owing by subsidiaries	12	**-**	-	**1,494**	341
Tax refundable		**9**	9	**-**	-
Fixed deposits with licensed banks	13	**6,674**	4,656	**6,652**	4,656
Cash and bank balances	14	**7,886**	6,613	**6,564**	4,356
		26,338	21,507	**24,503**	17,693
TOTAL ASSETS		**80,687**	58,017	**77,473**	54,370

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

BALANCE SHEETS
AT 30 JUNE 2009
cont'd

	NOTE	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	**60,105**	25,250	**60,105**	25,250
Retained profits	17	**9,362**	24,110	**6,613**	20,802
SHAREHOLDERS' EQUITY		**69,467**	49,360	**66,718**	46,052
MINORITY INTERESTS		**46**	80	**-**	-
TOTAL EQUITY		**69,513**	49,440	**66,718**	46,052
NON-CURRENT LIABILITIES					
Deferred taxation	18	**6**	7	**-**	-
Long-term borrowings	19	**4,067**	5,081	**4,067**	5,081
		4,073	5,088	**4,067**	5,081
CURRENT LIABILITIES					
Trade payables	22	**1,376**	1,113	**1,224**	696
Other payables and accruals		**1,236**	900	**981**	538
Amount owing to subsidiaries	12	**-**	-	**43**	537
Dividend payable	23	**2,735**	-	**2,735**	-
Provision for taxation		**52**	13	**3**	3
Short-term borrowings	24	**1,702**	1,463	**1,702**	1,463
		7,101	3,489	**6,688**	3,237
TOTAL LIABILITIES		**11,174**	8,577	**10,755**	8,318
TOTAL EQUITY AND LIABILITIES		**80,687**	58,017	**77,473**	54,370
Net assets per share (sen)	25	**11.56**	19.55		

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

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

		THE GROUP		THE COMPANY	
		2009	2008	2009	2008
	NOTE	RM'000	RM'000	RM'000	RM'000
REVENUE	26	**52,480**	43,821	**41,193**	31,227
COST OF SALES		**(24,365)**	(22,380)	**(17,075)**	(14,158)
GROSS PROFIT		**28,115**	21,441	**24,118**	17,069
OTHER INCOME		**273**	311	**3,270**	203
		28,388	21,752	**27,388**	17,272
ADMINISTRATIVE EXPENSES		**(6,451)**	(4,026)	**(5,248)**	(2,886)
OTHER EXPENSES		**(4,122)**	(2,463)	**(3,838)**	(2,217)
FINANCE COSTS		**(500)**	(438)	**(500)**	(438)
PROFIT BEFORE TAXATION	27	**17,315**	14,825	**17,802**	11,731
INCOME TAX EXPENSE	28	**(151)**	(54)	**(45)**	(34)
PROFIT AFTER TAXATION		**17,164**	14,771	**17,757**	11,697
ATTRIBUTABLE TO:					
Equity holders of the Company		**17,198**	14,778	**17,757**	11,697
Minority interests		**(34)**	(7)	**-**	-
		17,164	14,771	**17,757**	11,697
Earnings per share (sen):					
- Basic	29	**2.9**	2.7		
- Diluted	29	**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 2009

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
		SHARE CAPITAL	SHARE PREMIUM	RETAINED PROFITS	TOTAL	MINORITY INTERESTS	TOTAL EQUITY
THE GROUP	NOTE	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2007		12,625	9,673	14,130	36,428	87	36,515
Expenses recognised directly in equity:-							
Bonus issue expenses		-	(96)	-	(96)	-	(96)
Profit after taxation for the financial year		-	-	14,778	14,778	(7)	14,771
Total recognised income and expense for the financial year		-	(96)	14,778	14,682	(7)	14,675
Bonus issue		12,625	(9,577)	(3,048)	-	-	-
Dividend paid	23	-	-	(1,750)	(1,750)	-	(1,750)
Balance at 30.6.2008/1.7.2008		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:							
- paid	23	-	-	(10,934)	(10,934)	-	(10,934)
- declared	23	-	-	(2,735)	(2,735)	-	(2,735)
Balance at 30.6.2009		60,105	-	9,362	69,467	46	69,513

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
		SHARE CAPITAL	SHARE PREMIUM	RETAINED PROFITS	TOTAL
THE COMPANY	**NOTE**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance at 1.7.2007		12,625	9,673	13,903	36,201
Expenses recognised directly in equity:-					
Bonus issue expenses		-	(96)	-	(96)
Profit after taxation for the financial year		-	-	11,697	11,697
Total recognised income and expense for the financial year		-	(96)	11,697	11,601
Bonus issue		12,625	(9,577)	(3,048)	-
Dividend paid	23	-	-	(1,750)	(1,750)
Balance at 30.6.2008/1.7.2008		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:					
- paid	23	-	-	(10,934)	(10,934)
- declared	23	-	-	(2,735)	(2,735)
Balance at 30.6.2009		60,105	-	6,613	66,718

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

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	NOTE	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**17,315**	14,825	**17,802**	11,731
Adjustments for:-					
Amortisation of development costs		**655**	479	**546**	365
Depreciation of equipment		**3,467**	1,936	**3,292**	1,807
Equipment written off		**-**	47	**-**	45
Interest expense		**500**	438	**500**	438
Bad debts recovered		**-**	(105)	**-**	-
Dividend income		**-**	-	**(3,000)**	-
Gain on disposal of equipment		**(#)**	-	**(#)**	-
Interest income		**(273)**	(206)	**(270)**	(203)
Operating profit before working capital changes		**21,664**	17,414	**18,870**	14,183
Increase in trade and other receivables		**(1,540)**	(3,888)	**(1,453)**	(3,070)
Increase/(Decrease) in trade and other payables		**599**	209	**971**	(209)
CASH FLOWS FROM OPERATIONS		**20,723**	13,735	**18,388**	10,904
Interest paid		**(500)**	(438)	**(500)**	(438)
Income tax paid		**(113)**	(87)	**(45)**	(44)
NET CASH FROM OPERATING ACTIVITIES		**20,110**	13,210	**17,843**	10,422
CASH FLOWS FOR INVESTING ACTIVITIES					
Purchase of equipment	30	**(18,533)**	(9,418)	**(16,403)**	(9,273)
Proceeds from disposal of equipment		**#**	-	**#**	-
Acquisition of subsidiaries		**-**	(10,009)	**-**	(10,246)
Additional investment in a subsidiary		**-**	-	**(300)**	**-**
Addition of development costs		**(2,378)**	(1,557)	**(2,378)**	(1,557)
(Advances to)/Repayment from subsidiaries		**-**	-	**(1,153)**	725
Dividend received		**-**	-	**3,000**	-
Interest received		**273**	206	**270**	203
NET CASH FOR INVESTING ACTIVITIES		**(20,638)**	(20,778)	**(16,964)**	(20,148)
BALANCE CARRIED FORWARD		**(528)**	(7,568)	**879**	(9,726)

represents an amount less than RM1,000.

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

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

	NOTE	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
BALANCE BROUGHT FORWARD		**(528)**	(7,568)	**879**	(9,726)
CASH FLOWS FROM FINANCING ACTIVITIES					
Gross proceeds from issuance of shares		**16,978**	-	**16,978**	-
Bonus issue expenses		**(400)**	(96)	**(400)**	(96)
Drawdown of term loans		**-**	6,000	**-**	6,000
Repayment of term loans		**(960)**	(720)	**(960)**	(720)
Repayment of hire purchase and finance lease payables		**(865)**	(278)	**(865)**	(278)
(Repayment to)/Advances from subsidiaries		**-**	-	**(494)**	537
Dividends paid	23	**(10,934)**	(1,750)	**(10,934)**	(1,750)
NET CASH FROM FINANCING ACTIVITIES		**3,819**	3,156	**3,325**	3,693
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**3,291**	(4,412)	**4,204**	(6,033)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**11,269**	15,681	**9,012**	15,045
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31	**14,560**	11,269	**13,216**	9,012

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

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	:	10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.
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 28 October 2009.

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 Risk

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

3. FINANCIAL RISK MANAGEMENT POLICIES cont'd

(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 advance payments to 2 suppliers as disclosed in Note 11 to the financial statements.

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

(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 and of the Company 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.

The Group and the Company have not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:-

FRS 8 Operating Segments

FRS 8 replaces FRS 114$_{2004}$ 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.

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:-

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101 (Revised 2009)	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

4. BASIS OF PREPARATION cont'd

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:- cont'd

FRS 4 is not relevant to the Group and the Company's operations. The possible impacts of FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

The adoption of FRS 101 (Revised 2009) will only impact the form and content of the presentation of the Group financial statements in the next financial year. There will be no financial impact on the financial statements upon the adoption of this standard.

The possible impact of FRS 123 on the financial statements upon its initial application is not disclosed as the existing accounting policies of the Group and the Company are consistent with the requirements under this new standard.

(iii) Amendments issued and effective for financial periods beginning on or after 1 January 2010:-

Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Vesting Conditions and Cancellations
Amendments to FRS 7, FRS132, FRS139 and IC Interpretation 9	Improvements to Accounting for Financial Instruments
Amendments of FRSs	Annual Improvements to FRSs (2009)

The possible impacts of amendments to FRS7, FRS 132, FRS 139 and IC Interpretation 9 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

The Annual Improvements to FRSs (2009) is expected to have no material impact on the financial statements of the Group upon their initial application.

The other amendments are not relevant to the Group's operations.

(iv) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:-

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above IC Interpretations are not relevant to the Group's operations except for IC Interpretation 10. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

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(t) to the financial statements.

(ii) Depreciation of Equipment

The estimates for the residual values, useful lives and related depreciation charges for the equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(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 whether goodwill is impaired at least on an annual basis. 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 9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

5. SIGNIFICANT ACCOUNTING POLICIES cont'd

(a) Critical Accounting Estimates and Judgements cont'd

(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.

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 functional currency of each of the Group's entity is measured using the currency of the primary economic environment in which that entity operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the parent'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 2009.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

5. SIGNIFICANT ACCOUNTING POLICIES cont'd

(d) Basis of Consolidation cont'd

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 net assets 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. 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 net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.

(f) Investments in Subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

5. SIGNIFICANT ACCOUNTING POLICIES cont'd

(g) 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.

(h) 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.

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.

(i) Development Costs

Development costs comprise expenditure incurred on the development of the Group's software systems and integration used for the provision of Electronic Government Services. Costs incurred on development projects are capitalised to the extent that such expenditure is expected to generate future economic benefits.

Other development expenditure is recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

5. SIGNIFICANT ACCOUNTING POLICIES cont'd

(i) Development Costs cont'd

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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

5. SIGNIFICANT ACCOUNTING POLICIES cont'd

(n) Income Taxes cont'd

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 profit 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

5. SIGNIFICANT ACCOUNTING POLICIES cont'd

(r) Employee Benefits cont'd

(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.

(s) 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 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.

(t) Revenue Recognition

(i) Services Rendered

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

(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 2009
cont'd

6. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2009	**2008**
	RM'000	**RM'000**
Unquoted shares, at cost:-		
At 1.7.2008/2007	**12,896**	2,650
Additions	**300**	10,246
At 30.6.2009/2008	**13,196**	12,896

The details of the subsidiaries are as follows:-

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2009	**2008**	
Gale Vector Sdn Bhd ("GVSB")	Malaysia	**100%**	100%	Provision of software solutions and maintenance services.
PDX.net Sdn Bhd ("PNSB")	Malaysia	**54.5%**	54.5%	Provision of E-Insurance solutions and other insurance-related services.
mySpeed.com Sdn Bhd ("SPEED") *	Malaysia	**100%**	100%	Creating, implementing and operating e-business activities including electronic commerce delivery services, multimedia related activities and other computerised or electronic services.
MY E.G. Commerce Sdn Bhd ("MECSB")	Malaysia	**100%**	100%	Provision of auto insurance intermediary services.

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

* - Not audited by Messrs. Horwath

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

7. EQUIPMENT

	AT 1.7.2008	ADDITIONS	DISPOSAL	DEPRECIATION CHARGE	AT 30.6.2009
	RM'000	RM'000	RM'000	RM'000	RM'000
THE GROUP					
NET BOOK VALUE					
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**

	AT 1.7.2007	ACQUISITION OF A SUBSIDIARY	ADDITIONS	WRITTEN OFF	DEPRECIATION CHARGE	AT 30.6.2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
THE GROUP						
NET BOOK VALUE						
Motor vehicles	549	-	-	-	(94)	455
Office and communication equipment	4,690	191	8,970	(3)	(927)	12,921
Office furniture and renovation	643	25	988	(42)	(127)	1,487
Computers	2,769	120	504	(2)	(785)	2,606
Software	7	-	6	-	(3)	10
	8,658	336	10,468	(47)	(1,936)	17,479

represents an amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

7. EQUIPMENT cont'd

	AT COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
AT 30.6.2009	**RM'000**	**RM'000**	**RM'000**
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 30.6.2008			
Motor vehicles	587	(132)	455
Office and communication equipment	14,954	(2,033)	12,921
Office furniture and renovation	2,015	(528)	1,487
Computers	6,218	(3,612)	2,606
Software	67	(57)	10
	23,841	(6,362)	17,479

	AT 1.7.2008	ADDITIONS	DISPOSAL	DEPRECIATION CHARGE	AT 30.6.2009
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
THE COMPANY					
NET BOOK VALUE					
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**

represents an amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

7. EQUIPMENT cont'd

	AT 1.7.2007	ADDITIONS	WRITTEN OFF	DEPRECIATION CHARGE	AT 30.6.2008
	RM'000	RM'000	RM'000	RM'000	RM'000
THE COMPANY					
NET BOOK VALUE					
Motor vehicles	549	-	-	(94)	455
Office and communication equipment	4,639	8,939	(3)	(858)	12,717
Office furniture and renovation	643	938	(42)	(117)	1,422
Computers	2,754	439	-	(735)	2,458
Software	6	7	-	(3)	10
	8,591	10,323	(45)	(1,807)	17,062

AT 30.6.2009	AT COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
	RM'000	RM'000	RM'000
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**
AT 30.6.2008			
Motor vehicles	587	(132)	455
Office and communication equipment	14,148	(1,431)	12,717
Office furniture and renovation	1,839	(417)	1,422
Computers	4,705	(2,247)	2,458
Software	67	(57)	10
	21,346	(4,284)	17,062

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	
	2009	2008
	RM'000	RM'000
Motor vehicle	**147**	185
Office and communication equipment	**3,394**	2,247

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

8. DEVELOPMENT COSTS

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
AT COST:-				
At 1.7.2008/2007	**12,433**	6,558	**8,115**	6,558
Acquisition of a subsidiary	**-**	4,318	**-**	-
Addition during the financial year	**2,378**	1,557	**2,378**	1,557
At 30.6.2009/2008	**14,811**	12,433	**10,493**	8,115
ACCUMULATED AMORTISATION:-				
At 1.7.2008/2007	**(5,424)**	(1,031)	**(1,396)**	(1,031)
Acquisition of a subsidiary	**-**	(3,914)	**-**	-
Amortisation during the financial year	**(655)**	(479)	**(546)**	(365)
At 30.6.2009/2008	**(6,079)**	(5,424)	**(1,942)**	(1,396)
	8,732	7,009	**8,551**	6,719

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	
	2009	2008
	RM'000	RM'000
Staff costs	**618**	280

9. GOODWILL ON CONSOLIDATION

	THE GROUP	
	2009	2008
	RM'000	RM'000
At 1.7.2008/2007	**12,022**	2,601
Arising from acquisition of equity interest in subsidiaries	**-**	9,421
At 30.6.2009/2008	**12,022**	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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

9. GOODWILL ON CONSOLIDATION cont'd

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	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Software solutions and other insurance-related services	**73%**	70%	**15%**	14%	**7.5%**	10%
E-business activities	**41%**	32%	**10%**	5%	**7.5%**	10%

(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.

10. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	**2,403**	1,423	**1,828**	898
Allowance for doubtful debts	**(8)**	(8)	**(8)**	(8)
	2,395	1,415	**1,820**	890

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Advance payments for:				
- purchase of equipment	**2,169**	4,044	**2,169**	4,044
- exhibition and marketing	**1,893**	882	**1,893**	882
- renovation	**1,103**	-	**1,103**	-
Performance bond to a gateway provider	**3,498**	3,483	**2,263**	2,201

12. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and receivable/repayable on demand. The amounts owing are to be received/settled in cash.

13. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits with licensed banks are amounts of RM544,000 and RM522,000 of the Group and of the Company respectively (2008 - 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 1.85% (2008 - 3.09%). The fixed deposits have maturity periods ranging from 1 month to 12 months (2008 - 1 month to 12 months).

14. CASH AND BANK BALANCES

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

	THE GROUP/THE COMPANY	
	2009	2008
	RM'000	RM'000
Short-term cash investments	**4,246**	1,602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

15. SHARE CAPITAL

	THE COMPANY			
	2009		2008	
	NUMBER OF SHARES	SHARE CAPITAL	NUMBER OF SHARES	SHARE CAPITAL
	'000	RM'000	'000	RM'000
ORDINARY SHARES OF RM0.10 EACH:-				
AUTHORISED				
At 1.7.2008/2007	**500,000**	**50,000**	250,000	25,000
Increase during the financial year	**500,000**	**50,000**	250,000	25,000
At 30.6.2009/2008	**1,000,000**	**100,000**	500,000	50,000
ISSUED AND FULLY PAID-UP				
At 1.7.2008/2007	**252,500**	**25,250**	126,250	12,625
Allotment of shares	**20,705**	**2,070**	-	-
Bonus issue	**327,846**	**32,785**	126,250	12,625
At 30.6.2009/2008	**601,051**	**60,105**	252,500	25,250

During the 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 the capitalisation of retained earnings and share premium.

All the new ordinary shares issued during the financial year rank 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 2009
cont'd

16. SHARE PREMIUM

	THE GROUP/THE COMPANY	
	2009	**2008**
	RM'000	**RM'000**
At 1.7.2008/2007	**-**	9,673
Premium arising from issuance of shares	**14,908**	-
Bonus issue	**(14,508)**	(9,577)
Expenses incurred for bonus issue	**(400)**	(96)
	-	(9,673)
At 30.6.2009/2008	**-**	-

17. RETAINED PROFITS

At the balance sheet date, the Company is able to distribute dividends out of its entire retained profits under the single tier tax system.

Subject to the agreement of the tax authorities, at the balance sheet date, the Company has tax-exempt income of approximately RM4,237,000 (2008 - RM8,135,000) available for the purpose of paying tax-exempt dividends.

18. DEFERRED TAXATION

	THE GROUP	
	2009	**2008**
	RM'000	**RM'000**
At 1.7.2008/2007	**7**	8
Recognised in the income statement (Note 28)	**(1)**	(1)
At 30.6.2009/2008	**6**	7

The deferred taxation relates to accelerated capital allowances of equipment.

19. LONG-TERM BORROWINGS

	THE GROUP/THE COMPANY	
	2009	**2008**
	RM'000	**RM'000**
Hire purchase and finance lease payables (Note 20)	**707**	761
Term loans (Note 21)	**3,360**	4,320
	4,067	5,081

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

20. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	THE GROUP/THE COMPANY	
	2009	**2008**
	RM'000	**RM'000**
Minimum hire purchase and lease payments:		
- not later than one year	**826**	580
- later than one year and not later than five years	**742**	797
- later than five years	**-**	25
Gross hire purchase and lease payables	**1,568**	1,402
Less: Future finance charges	**(119)**	(138)
Present value of hire purchase and finance lease payables	**1,449**	1,264
The net hire purchase and finance lease payables are repayable as follows:		
Current:		
- not later than one year (Note 24)	**742**	503
Non-current:		
- later than one year and not later than five years	**707**	736
- later than five years	**-**	25
Total non-current portion (Note 19)	**707**	761
	1,449	1,264

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

The hire purchase and lease payables bore a weighted average effective interest at 6.90% (2008 - 6.90%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

21. TERM LOANS

	THE GROUP/THE COMPANY	
	2009	**2008**
	RM'000	**RM'000**
Current portion:		
- repayable within one year (Note 24)	**960**	960
Non-current portion:		
- repayable between one to two years	**960**	960
- repayable between two to five years	**2,400**	2,880
- repayable after five years	**-**	480
Total non-current portion (Note 19)	**3,360**	4,320
	4,320	5,280

Details of the term loans are as follows:-

	NUMBER OF MONTHLY INSTALMENTS	MONTHLY INSTALMENT	DATE OF COMMENCEMENT OF REPAYMENT
		RM'000	
Term loan 1	75	64	October 2007
Term loan 2	75	16	October 2007

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 effective interest rate of the term loans at the balance sheet date was 7.50% (2008 - 7.50%) per annum.

22. 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 2009
cont'd

23. DIVIDEND

	THE GROUP/THE COMPANY	
	2009	2008
	RM'000	RM'000
Dividends paid:-		
In respect of the financial year ended 30 June 2007:		
- a first and final tax-exempt dividend of 0.693 sen per ordinary share	**-**	1,750
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**	-
	10,934	1,750
Dividend declared:-		
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**	-

24. SHORT-TERM BORROWINGS

	THE GROUP/THE COMPANY	
	2009	2008
	RM'000	RM'000
Hire purchase and finance lease payables (Note 20)	**742**	503
Term loans (Note 21)	**960**	960
	1,702	1,463

25. 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 RM69,467,000 (2008 - RM49,360,000) divided by the number of ordinary shares in issue at the balance sheet date of 601,051,000 (2008 - 252,500,000) shares.

26. REVENUE

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 2009
cont'd

27. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Amortisation of development costs	**655**	479	**546**	365
Audit fee:				
- for the current financial year	**44**	40	**20**	20
- (over)/underprovision in the previous financial year	**#**	(6)	**-**	4
Depreciation of equipment	**3,467**	1,936	**3,292**	1,807
Directors' fee	**345**	312	**292**	204
Directors' non-fee emoluments	**-**	60	**-**	-
Equipment written off	**-**	47	**-**	45
Interest expense:				
- hire purchase	**7**	13	**7**	13
- lease	**132**	29	**132**	29
- term loans	**361**	396	**361**	396
Rental expense:				
- motor vehicles	**31**	34	**31**	34
- equipment	**13**	13	**-**	-
- parking	**15**	12	**15**	12
- premises	**1,483**	996	**793**	550
Staff costs	**4,540**	2,981	**2,676**	1,432
Bad debts recovered	**-**	(105)	**-**	-
Dividend income	**-**	-	**(3,000)**	-
Gain on disposal of equipment	**(#)**	-	**(#)**	-
Interest income	**(273)**	(206)	**(270)**	(203)

represents an amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

28. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Current taxation:				
- for the current financial year	**153**	55	**47**	34
- (over)/underprovision in the previous financial year	**(1)**	#	**(2)**	#
	152	55	**45**	34
Deferred taxation:				
- for the current financial year (Note 18)	**(1)**	(1)	**-**	-
	151	54	**45**	34

represents an amount less than RM1,000.

The Company has been granted the MSC status which qualifies the Company for the pioneer status incentive with no tax on the Company's income from pioneer activities during the pioneer period from 18 July 2008 to 17 July 2011.

During the current financial year, the statutory tax rate was reduced from 26% to 25%, as announced in the Malaysian Budget 2008.

As gazetted in the Finance Act 2009, certain subsidiaries of the Company will no longer enjoy the preferential tax rate of 20% on their chargeable income of up to RM500,000 effective from year of assessment 2009 as the Company has a paid-up share capital exceeding RM2,500,000.

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	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	**17,315**	14,825	**17,802**	11,731
Tax at the applicable statutory tax rate of 25% (2008 - 26%)	**4,329**	3,855	**4,450**	3,050
Tax effects of:-				
Non-taxable gains	**(21)**	-	**(771)**	-
Tax exempted income	**(1,385)**	(2,035)	**(1,385)**	(2,035)
Non-deductible expenses	**512**	75	**488**	71
Deferred tax assets not recognised during the financial year	**(548)**	(789)	**-**	-
Deferred tax liabilities not recognised due to pioneer status	**(2,735)**	(1,052)	**(2,735)**	(1,052)
(Over)/Underprovision in the previous financial year	**(1)**	#	**(2)**	#
	151	54	**45**	34

represents an amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

28. INCOME TAX EXPENSE cont'd

No deferred tax assets are recognised in the balance sheet for the followings items:-

	THE GROUP	
	2009	**2008**
	RM'000	**RM'000**
Unabsorbed capital allowances	**-**	2,635
Unutilised tax losses	**5,301**	5,265
	5,301	7,900

29. EARNINGS PER SHARE

Basic earnings per share is arrived at by dividing the Group's profit attributable to equity holders of the Company of RM17,198,000 (2008 - RM14,778,000) by the following weighted average number of ordinary shares in issue during the financial year.

	THE COMPANY	
	2009	**2008**
	RM'000	**RM'000**
Issued ordinary shares at 1.7.2008/2007	**252,500**	555,500
Effect of private placement	**13,898**	-
Effect of bonus issue	**327,846**	-
Issued ordinary shares at 30.6.2009/2008	**594,244**	555,500

The basic earnings per share in the previous financial year had been restated to conform with the current financial year's presentation as a result of the bonus issue during the current financial year.

The diluted earnings per share is not applicable as there are no dilutive potential ordinary shares outstanding at the balance sheet date.

30. PURCHASE OF EQUIPMENT

	THE GROUP		THE COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cost of equipment purchased	**19,583**	10,468	**17,453**	10,323
Amount financed through hire purchase and leasing	**(1,050)**	(1,050)	**(1,050)**	(1,050)
Cash disbursed for purchase of equipment	**18,533**	9,418	**16,403**	9,273

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

31. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks (Note 13)	**6,674**	4,656	**6,652**	4,656
Cash and bank balances	**7,886**	6,613	**6,564**	4,356
	14,560	11,269	**13,216**	9,012

32. 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	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Sales to:				
Subsidiary:				
PDX.net Sdn Bhd	**-**	-	**-**	618
Professional fees charged by:				
Related party:				
Embunaz Ventures Sdn Bhd*	**81**	81	**81**	81
Rental charged by:				
Related party:				
Embunaz Ventures Sdn Bhd*	**111**	111	**111**	111
Key management personnel compensation:				
Short-term employee benefits	**744**	833	**571**	473

* 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
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33. COMMITMENTS

Capital commitments

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

	THE GROUP/THE COMPANY	
	2009	2008
	RM'000	RM'000
Approved and contracted for:		
- purchase of equipment	**2,051**	701
Approved but not contracted for:		
- renovation	**1,445**	-

Operating lease commitments

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

	THE GROUP/THE COMPANY	
	2009	2008
	RM'000	RM'000
Not later than one year	**1,034**	805
Later than one year but not later than five years	**414**	853
	1,448	1,658

34. 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	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
- basic salaries, bonus, Employees Provident Fund and SOCSO	**-**	60	**-**	-
- fee	**252**	252	**252**	180
Non-executive directors:				
- fee	**93**	60	**40**	24
	345	372	**292**	204

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009
cont'd

34. DIRECTORS' REMUNERATION cont'd

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	
	2009	2008	2009	2008
EXECUTIVE DIRECTORS				
RM50,001 - RM100,000	**2**	1	**2**	1
RM100,001 - RM150,000	**1**	2	**1**	1
NON-EXECUTIVE DIRECTORS				
Below RM50,000	**1**	2	**1**	1
RM50,001 - RM100,000	**1**	-	**-**	-

35. 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 and operates wholly in Malaysia.

36. 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 Loan, Hire Purchase and Lease Obligation

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

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS
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cont'd

37. COMPARATIVE FIGURES

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

	AS RESTATED	AS PREVIOUSLY REPORTED
	RM'000	RM'000
THE GROUP		
INCOME STATEMENTS (EXTRACT):-		
Revenue	**43,821**	49,275
Cost of sales	**(22,380)**	(27,834)
CASH FLOW STATEMENTS (EXTRACT):-		
Net cash for investing activities	**(20,778)**	(20,984)
Net cash from financing activities	**3,156**	3,362
THE COMPANY		
INCOME STATEMENTS (EXTRACT):-		
Revenue	**31,227**	36,681
Cost of sales	**(14,158)**	(19,612)
CASH FLOW STATEMENTS (EXTRACT):-		
Net cash for investing activities	**(20,148)**	(20,351)
Net cash from financing activities	**3,693**	3,896

LIST OF PROPERTIES
AS AT 30 JUNE 2009

The Company does not own any properties as at 30 June 2009

ANALYSIS OF SHAREHOLDINGS
AS AT 10 NOVEMBER 2009

Authorised Share Capital	:	RM100,000,000.00
Issued and Fully Paid-Up Capital	:	RM60,105,090 (excluding 100 treasury shares of RM0.10 each)
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Right	:	Every member of the Company, present in person or by proxy, shall have on a show of hands, one (1) vote or on a poll, one (1) vote for each share he holds.
Number of Shareholders	:	1,709

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	7	0.41	204	0.00
100 to 1,000	735	43.01	206,675	0.03
1,001 – 10,000	464	27.15	2,898,700	0.48
10,001 – 100,000	412	24.11	13,058,060	2.17
100,001 – less than 5% of issued shares	86	5.03	301,807,601	50.22
5% and above of issued shares	5	0.29	283,079,660	47.10
Total	**1,709**	**100**	**601,050,900**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

		Direct Interest		Indirect Interest	
	Names	**No. of shares**	**%**	**No. of shares**	**%**
1.	Wong Thean Soon	28,178,006	4.69	209,157,998[1]	34.80
2.	Raja Munir Shah Bin Raja Mustapha	537,900	0.09	209,157,998[1]	34.80
3.	Asia Internet Holdings Sdn Bhd	193,695,999	32.22	-	-
4.	Lembaga Tabung Haji	55,550,000	9.24	-	-
5.	Utilico Emerging Markets Limited	55,043,860[2]	9.16	-	-
6.	Koperasi Permodalan Felda Berhad	40,754,600	6.78	-	-
7.	Edisi Firma Sdn Bhd	36,925,140	6.14	-	-
8.	Ban Swan Gek	264,000	0.04	36,925,140[3]	6.14
9.	Ng Hong Sing	33,964,700	5.65	-	-

Notes:

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

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

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

ANALYSIS OF SHAREHOLDINGS
AS AT 10 NOVEMBER 2009
cont'd

DIRECTORS' SHAREHOLDINGS

	Names	Direct Interest No. of shares	Direct Interest %	Indirect Interest No. of shares	Indirect Interest %
1.	Dato' Dr Norraesah Binti Hj Mohamad	6,960,000	1.16	-	-
2.	Wong Thean Soon	28,178,006	4.69	209,157,998[1]	34.80
3.	Raja Munir Shah Bin Raja Mustapha	537,900	0.09	209,157,998[1]	34.80
4.	Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	2,200,000	0.37	2,200,000[2]	0.37
5.	Datuk Mohd Jimmy Wong Bin Abdullah	552,000	0.09	-	-
6.	Ng Fook Ai Victor	-	-	-	-

Notes:

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

[2] Deemed interested by virtue of his son's shareholdings pursuant to Section 134(12)(c) of the Companies Act, 1965.

TOP THIRTY (30) SHAREHOLDERS

No.	Names	No. of Shares	%
1.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn Bhd*	86,230,000	14.35
2.	Lembaga Tabung Haji	55,550,000	9.24
3.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for JPMorgan Chase Bank, National Association (Bermuda)*	55,043,860	9.16
4.	HSBC Nominees (Tempatan) Sdn Bhd *Exempt An for Credit Suisse (SG-BR-TST-TEMP)*	44,000,000	7.32
5.	Koperasi Permodalan Felda Berhad	42,255,800	7.03
6.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn Bhd (MGN-AIH0001M)*	27,401,000	4.56
7.	M.I.T. Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Edisi Firma Sdn Bhd (MG0065-195)*	26,925,140	4.48
8.	M.I.T Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Hong Sing (MG0120-195)*	22,792,000	3.79
9.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Thean Soon (MGN-WTS0002M)*	20,868,000	3.47
10.	M.I.T Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn Bhd (MG0168-195)*	15,752,000	2.62
11	Asia Internet E-Services Holdings Sdn Bhd	15,461,999	2.57
12.	Cimsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Ngan Cheong*	13,965,340	2.32
13.	Jason Chan Ling Khee	11,069,599	1.84

ANALYSIS OF SHAREHOLDINGS

AS AT 10 NOVEMBER 2009
cont'd

TOP THIRTY (30) SHAREHOLDERS cont'd

No.	Names	No. of Shares	%
14.	Ng Hong Sing	11,000,000	1.83
15.	Edisi Firma Sdn Bhd	10,000,000	1.66
16.	Then Pei Kee	9,900,000	1.65
17.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Asia Internet Holdings Sdn Bhd (MY 0409)*	9,845,000	1.64
18.	Jayakumar A/L Panneer Selvam	9,331,720	1.55
19.	Mayban Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Rahadian Mahmud Bin Mohammad Khalil (Dealer 01Q)*	8,580,000	1.43
20.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Wong Thean Soon (MY0691)*	7,200,000	1.20
21.	Affin Nominees (Asing) Sdn Bhd *Eassetmanagement Sdn Bhd for London Asia Capital Limited*	6,600,000	1.10
22.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Asia Internet Holdings Sdn Bhd*	6,600,000	1.10
23.	Norraesah Binti Mohamad	6,520,000	1.08
24.	Koh Yeow Lay	5,499,999	0.92
25.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Credit Suisse (SG BR-TST-ASING)*	4,532,080	0.75
26.	EG Industries Berhad	4,380,600	0.73
27.	HDM Nominees (Tempatan) Sdn Bhd *Phillip Securities Pte Ltd for Jason Chan Ling Khee*	4,325,240	0.72
28.	HLG Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Soon Keong (CCTS)*	4,308,540	0.72
29.	Asia Internet Holdings Sdn Bhd	3,867,999	0.64
30.	Mayban Nominees (Tempatan) Sdn Bhd *Mayban Trustees Berhad for RHB Capital Fund (N14011200189)*	3,000,000	0.50

NOTICE OF THE NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of MY E.G. SERVICES BERHAD will be held at Casuarina Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 10 December 2009 at 10.30 a.m. for the following purposes:

AGENDA

1.	To lay the Audited Financial Statements for the financial year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon.	**Please refer to Note A**
2.	To approve a final tax-exempt dividend of 0.455 sen per ordinary share in respect of the financial year ended 30 June 2009.	**Ordinary Resolution 1**
3.	To re-elect the following Directors retiring pursuant to Article 69 of the Articles of Association of the Company:	
	3.1 Dato' Dr Norraesah Binti Haji Mohamad	**Ordinary Resolution 2**
	3.2 Datuk Mohd Jimmy Wong Bin Abdullah	**Ordinary Resolution 3**
4.	To re-elect Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim, the Director retiring pursuant to Article 74 of the Articles of Association of the Company.	**Ordinary Resolution 4**
5.	To approve the payment of Directors' fee for the financial year ended 30 June 2009.	**Ordinary Resolution 5**
6.	To re-appoint Messrs Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**

AS SPECIAL BUSINESS

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

7. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** — **Ordinary Resolution 7**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company 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."

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

"THAT, subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Articles of Association, the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant 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:

NOTICE OF THE NINTH ANNUAL GENERAL MEETING
cont'd

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

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total retained profits of the Company. As at 30 June 2009, the audited retained profits of the Company were approximately RM6.613 million;

(iii) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

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

(iv) upon completion of the purchase(s) of the Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the shares in the following manner:

(a) cancel the Shares so purchased; or
(b) retain the Shares so purchased as treasury shares; or
(c) retain part of the Shares so purchased as treasury shares and cancel the remainder; or
(d) distribute the treasury shares as dividends to shareholders and/or resell on the Bursa Securities and/or cancel all or part of them; or

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

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

NOTICE OF THE NINTH ANNUAL GENERAL MEETING
cont'd

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN the final tax-exempt dividend of 0.455 sen per ordinary share in respect of the financial year ended 30 June 2009, if approved by the shareholders at the Ninth Annual General Meeting, will be paid on 31 December 2009 to Depositors whose names appear in Record of Depositors at the close of business on 14 December 2009.

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 14 December 2009 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

LIM MING TOONG (MAICSA 7000281)
TAN LEY THENG (MAICSA 7030358)
MAH LI CHEN (MAICSA 7022751)
Company Secretaries

Kuala Lumpur
18 November 2009

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 to vote at the same meeting. Where a member appoints more that one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings 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 appointor 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 must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

NOTICE OF THE NINTH ANNUAL GENERAL MEETING
cont'd

7. Explanatory Notes on Special Business

Ordinary Resolution 7
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 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 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 5 December 2008.

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

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

Please refer to the Share Buy-Back Statement dated 18 November 2009 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 Ninth Annual General Meeting are as follows:

(a)	Dato' Dr Norraesah Binti Haji Mohamad	Retiring pursuant to Article 69 of the Company's Articles of Association
(b)	Datuk Mohd Jimmy Wong Bin Abdullah	Retiring pursuant to Article 69 of the Company's Articles of Association
(c)	Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim	Retiring pursuant to Article 74 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 17 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 79 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 2009. Details of the attendance of each Director are set out in the Statement on Corporate Governance appearing on page 19 of this Annual Report.

4. Place, Date and Time of Ninth Annual General Meeting

The Ninth Annual General Meeting of the Company will be convened and held at Casuarina Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 10 December 2009 at 10.30 a.m.

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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 Ninth Annual General Meeting of the Company, to be held at Casuarina Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 10 December 2009 at 10.30 a.m. and at any adjournment thereof.

* *If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting of failing him" and insert the name(s) of the person(s) desired.*

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies and wish them to vote differently this should be specified.

My/our proxy/proxies is/are to vote as indicated below:

	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To approve the final tax-exempt dividend		
2	To re-elect Dato' Dr Norraesah Binti Haji Mohamad		
3	To re-elect Datuk Mohd Jimmy Wong Bin Abdullah		
4	To re-elect Tan Sri Dato' Dr Muhammad Rais Bin Abdul Karim		
5	To approve the payment of Directors' fees		
6	To re-appoint Messrs Horwath as Auditors of the Company		
7	To approve the Authority to Directors to allot shares pursuant to Section 132D of the Companies Act, 1965		
8	To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company		

Dated this _____ day of _____ 2009

_____

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 to vote at the same meeting. Where a member appoints more that one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

3. Where a member is an authorized 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 appointor 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 authorized.

6. The instrument appointing must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur 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

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