

9. FINANCIAL INFORMATION

9.1 Historical Financial Information

9.1.1 EDARAN

EDARAN was incorporated on 1 June 1992 and was dormant until it became an investment holding company on 2 January 2001 pursuant to the restructuring exercise implemented, as detailed in Section 5 of this Prospectus.

9.1.2 EDARAN Group – Proforma

The following table, which has been extracted from the Accountant's Report in Section 10 of this Prospectus, is a summary of the proforma consolidated audited results of the EDARAN Group for the past 5 financial years ended 30 June 2000 and the five (5) months audited accounts of the EDARAN Group and is based on the assumption that the Group has been in existence throughout the period under review. The proforma consolidated financial results are prepared for illustrative purposes and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report.

	<----- Year Ended 30 June ----->					5 Months Period Ended 30 November
	1996	1997	1998	1999	2000	2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	72,487	96,205	91,744	123,684	87,308	54,614
Profit before interest, depreciation and taxation	4,370	13,550	8,221	18,069	19,011	6,208
Depreciation	(787)	(1,110)	(1,220)	(1,515)	(1,597)	(577)
Interest expense	(391)	(2,217)	(2,865)	(4,031)	(2,965)	(805)
Profit before taxation	3,192	10,223	4,136	12,523	14,449	4,826
Taxation	(1,430)	(2,945)	(1,924)	(227)	(4,684)	(1,616)
Profit after taxation	1,762	7,278	2,212	12,296	9,765	3,210
No. of ordinary shares in issue ¹ ('000)	32,564	32,564	32,564	32,564	32,564	32,564
Gross EPS (sen)	9.80	31.39	12.70	38.46	44.37	14.82
Net EPS (sen)	5.41	22.35	6.79	37.76	29.99	9.86

Notes:

- (1) *The number of ordinary shares in issue refers to the number of ordinary shares issued after the Acquisitions but before the completion of the Rights Issue, the Placement and the Public Issue and assuming that EDARAN has been in existence since July 1995.*
- (2) *As the financial accounting date of EMAC and ECOMM is not coterminous with EDARAN prior to financial year ended 1997, EMAC's and ECOMM's financial results have been prorated to 30 June where appropriate.*
- (3) *There were no extraordinary items and no exceptional items for the period under review.*

9. FINANCIAL INFORMATION (Cont'd)

- (4) *For the financial year ended 30 June 1997, the proforma Group's turnover increased by RM24 million or 33% mainly due to progress billings of RM22 million from EMAC's project with Celcom Group as well as progress billings of RM17 million from EKOM's project with Ibu Pejabat Polis Kontinjen /Ibu Pejabat Polis Daerah. Both projects collectively constituted 41% of the proforma group turnover in 1997. The sharp increase of profit before taxation by RM7.0 million or 220% mainly due to higher stage of completion for the project from Celcom Group and Ibu Pejabat Polis Kontinjen /Ibu Pejabat Polis Daerah projects. The increase was also due to completion of project with Jabatan Kastam & Eksais DiRaja Malaysia.*
- (5) *For the financial year ended 30 June 1998, there was a sharp drop in profit before taxation for the financial year due to the lower progress billings for EKOM's Ibu Pejabat Polis Kontinjen/Ibu Pejabat Polis Daerah projects for EKOM and EMAC's projects. However, the proforma Group's turnover declined approximately by RM5 million only as there were many new projects obtained during the year, which are still at an initial stage.*
- (6) *For the financial year ended 1999, the proforma Group's turnover increased significantly by RM32 million or 35% mainly due to the commencement of Microwave Phase II project in financial year ended 1998 and Microwave Phase III project in financial year ended 1999. The sharp increase of profit before taxation by RM8.0 million or 203% mainly due to higher stage of completion for the Microwave Phases II and III project. In addition, the sharp increase was also due to engineering services project awarded by Ericsson and Lucent Technologies (M) Sdn Bhd, which contributed higher margin.*
- (7) *The taxation charged for the financial year ended 1999 relates to under provision of tax in the prior year.*
- (8) *The proforma profit and loss accounts of the Group exclude the financial results of EALS, ECP and ACS throughout the relevant periods under review. The exclusion is on the basis that EALS has been disposed of in the financial year ended 2000. In addition, ECP and ACS are not intended to be held long term.*
- (9) *The financial accounting date of EMAC and ECOMM is not coterminous with EDARAN prior to financial year ended 1997. Thus their financial results have been prorated to 30 June where appropriate.*
- (10) *For the financial year 2000, the proforma Group's turnover decreased significantly by RM35 million or 28% mainly due to completion by ECOMM of the fibre optic cable and Microwave Phases I and II projects by Celcom Group and the cancellation initiated by the Celcom Group of an advance billing in respect of the Microwave III project raised by ECOMM in 1999 for an amount of RM10 million. The significant decrease in ECOMM's turnover is mitigated by the increase in EKOM's turnover by 19%.*

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9. FINANCIAL INFORMATION (Cont'd)

9.1.3 Detailed analysis of the track record of EDARAN Group for the past five (5) years and the 5 months period

The contribution to turnover and profit of each main activity of the Group is as follows: -

Group	Financial Year Ended 30 June										5-Month Period Ended 30 November 2000	
	1996		1997		1998		1999		2000		RM'000	%
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Turnover												
By activity: -												
Telecommunications	42,432	58.54	62,140	64.59	57,217	62.37	78,497	63.47	33,500	38.37	30,894	56.57
Information Technology	30,055	41.46	34,065	35.41	34,527	37.63	45,187	36.53	53,808	61.63	23,720	43.43
	<u>72,487</u>	<u>100.00</u>	<u>96,205</u>	<u>100.00</u>	<u>91,744</u>	<u>100.00</u>	<u>123,684</u>	<u>100.00</u>	<u>87,308</u>	<u>100.00</u>	<u>54,614</u>	<u>100.00</u>
Profit before tax and minority interest												
Telecommunications	1,357	42.51	8,580	83.93	2,965	71.69	9,466	75.59	9,511	65.82	1,653	34.25
Information Technology	1,835	57.49	1,643	16.07	1,171	28.31	3,057	24.41	4,938	34.18	3,173	65.75
	<u>3,192</u>	<u>100.00</u>	<u>10,223</u>	<u>100.00</u>	<u>4,136</u>	<u>100.00</u>	<u>12,523</u>	<u>100.00</u>	<u>14,449</u>	<u>100.00</u>	<u>4,826</u>	<u>100.00</u>
Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-
	<u>3,192</u>	<u>100.00</u>	<u>10,223</u>	<u>100.00</u>	<u>4,136</u>	<u>100.00</u>	<u>12,523</u>	<u>100.00</u>	<u>14,449</u>	<u>100.00</u>	<u>4,826</u>	<u>100.00</u>

- Notes: -
- (1) As the financial accounting date of EMAC and ECOMM is not coterminous with EDARAN prior to financial year ended 1997, EMAC's and ECOMM's financial results have been prorated to 30 June where appropriate
 - (2) There were no extraordinary items and exceptional items for the period under review.
 - (3) The contribution from telecommunications segment is from EMAC Group whereas the contribution from information technology segment is from EKOM

9. FINANCIAL INFORMATION (Cont'd)

9.1.4 Working Capital, Borrowings, Material Contingent Liabilities and Capital Commitments

(i) Working Capital

The Directors of EDARAN are of the opinion that, barring any unforeseen circumstances and after taking into consideration the cashflow projections and the banking facilities available and the net proceeds of the IPO, the EDARAN Group will have adequate working capital for its present foreseeable requirements.

(ii) Borrowings

As at 19 March 2001 (being the latest practicable date which such amounts could be calculated prior to the printing of this Prospectus), the Group's total borrowings (all interest bearing debts) amounts to RM24,259 million as follows: -

Bank borrowings	Amount RM'000
Short term	-
Long term	4,459
Other borrowings	
Short term	19,800
Long term	-
Total	<u>24,259</u>

Saved as disclosed above, the Group does not have any other loan capital outstanding or created but unissued, mortgages or charges outstanding.

(iii) Material Contingent Liabilities

As at 19 March 2001 (being the last practicable date which such amounts could be calculated prior to the printing of this Prospectus), neither EDARAN or its subsidiaries is engaged in any material commitments and material contingent liabilities save and except for claim by Schneider (M) Sdn Bhd against ECOMM for an alleged breach of contract for an amount claimed of RM1,002,111. The parties have agreed to submit claim to arbitration and the terms of the Joint Reference Agreement.

The Directors in consultation with their solicitors are of the opinion that ECOMM has a fair chance of defending the claim. Except for the above, the Directors are not aware of any other existing material contingent liabilities in respect of the companies within the EDARAN Group.

(iv) Capital Commitments

As at 19 March 2001 (being the latest practicable date which such amounts could be calculated prior to the printing of this Prospectus), the Group does not have any material capital commitments.

9. FINANCIAL INFORMATION (Cont'd)

9.1.5 Proforma Aging Analysis for Overdue Debts from A Trade Debtor of which A Director and Substantial Shareholder Has Interest

The proforma aging analysis for overdue debts from a trade debtor of which a director and substantial shareholder has interest is as follows: -

	Balance as at 30 November 2000 RM'000	Debtors Aging as at 30 November 2000				
		1-30 days RM'000	31 – 60 days RM'000	61 – 90 days RM'000	91 – 120 days RM'000	> 120 days RM'000
EMAC	1,483	101	4	8	158	1,212
ECOMM	67,784	13,361	3,500	959	537	49,427
EKOM	-	-	-	-	-	-
Total	69,267	13,462	3,504	967	695	50,639
Less: Project under financing package	(32,700)	(11,998)	-	-	-	(20,702)
Amount due	36,567	1,464	3,504	967	695	29,937

Notes: -

- (a) *A Director and substantial shareholder of the aforesaid trade debtor of EDARAN which has amount overdue/over the credit period is also a Director and substantial shareholder of EDARAN; and*
- (b) *Pursuant to the conditions imposed by the SC (please refer to Section 5.3.8 of this Prospectus), on 5 March 2001 EMAC and ECOMM entered into a Trust Deed with Lee, Ong & Kandiah for the mortgage of EDARAN shares held by Kauthar and Sabri bin Hashim to Lee, Ong & Kandiah as the Trustee (Stakeholder) to hold as security for the payment of the debt due and owing from the aforesaid trade debtor to EMAC and ECOMM.*

The aforesaid trade debtor had on 12 January 2001 procured a Bank Guarantee for the amount of RM10.0 million for the benefit of EMAC as part of the security for the payment of the debt due and owing from the trade debtor.

9.1.6 Directors' Statement on the Recoverability of the Overdue Debts over Credit Period

The directors of EDARAN are of the opinion that the overdue debts from a trade debtor, of which a director has interest is collectible due to the fact that the said trade debtor has been making regular payments to EDARAN for the settlement of its debts. Furthermore the said trade debtor had provided the necessary securities equivalent to the amount overdue that is over the normal credit period of ninety (90) days in the form of EDARAN shares belonging to Kauthar and Sabri bin Hashim placed with Lee, Ong & Kandiah as the Trustee (Stakeholder) vide a stakeholder agreement dated 5 March 2001 and the RM10.0 million bank guarantee procured by the said trade debtor on 12 January 2001.

9. FINANCIAL INFORMATION (Cont'd)

9.2 Future Information**9.2.1 Consolidated Profit Forecast Together with the Notes Relating thereto**

Financial Year Ending 30 June 2001	RM'000
Turnover	124,534
Consolidated profit before taxation	16,193
Less: Taxation	(4,534)
Consolidated profit after taxation	<u>11,659</u>
Weighted average number of shares in issue ('000)	41,596
Gross EPS (RM)	0.39
Net EPS (RM)	0.28
Gross PE Multiple based on the Placement/Issue/Offer Price of RM2.15 per ordinary share (times)	5.52
Net PE Multiple based on the Placement/Issue/Offer Price of RM2.15 per ordinary share (times)	7.67

The principal assumptions upon which the forecast has been made are as disclosed in the Reporting Accountants' letter in the ensuing pages.

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9. FINANCIAL INFORMATION (Cont'd)



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REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST
(Prepared for inclusion in the Prospectus)

21 March 2001

The Board of Directors
Edaran Digital Systems Berhad
(formerly known as Alpine Technologies Berhad)
15th Floor Menara TR
161B Jalan Ampang
50450 Kuala Lumpur

Dear Sirs

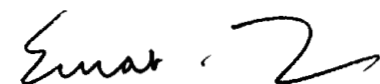
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 30 JUNE 2001

FLOTATION ON THE KUALA LUMPUR STOCK EXCHANGE MAIN BOARD

We have reviewed the accounting policies and calculations for the consolidated profit forecast for the year ending 30 June 2001 of Edaran Digital Systems Berhad (*formerly known as Alpine Technologies Berhad*) and its subsidiary companies, for which the Directors are solely responsible as set out in the accompanying statement which we have stamped for identification, for the purpose of inclusion in the Prospectus to be dated 30 March 2001.

In our opinion, the consolidated profit forecast so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the Directors, as set out in the accompanying statement, and is presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully



ERNST & YOUNG AF: 0039
Public Accountants



Yeo Eng Seng 1212/12/02(J)
Partner

9. FINANCIAL INFORMATION (Cont'd)

EDARAN DIGITAL SYSTEMS BERHAD *(formerly known as Alpine Technologies Berhad)* **CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 30 JUNE 2001**

The Directors of Edaran Digital Systems Berhad *(formerly known as Alpine Technologies Berhad)* forecast that barring unforeseen circumstances, the consolidated profit after taxation and after minority interest for the year ending 30 June 2001 will be as follows:-

	Year Ending 30 June 2001
Profit after taxation and after minority interest (RM'000)	11,659
Weighted average number of ordinary shares ('000)	41,596
Net earnings per share based on weighted average number of shares (RM)	0.28
Enlarged number of ordinary shares ('000)	60,000
Net earnings per share based on enlarged number of shares (RM)	0.19

The principal bases and assumptions upon which the forecast has been prepared are set out below:-

- (a) There will be no material changes in the structure and principal activities of the Group.
- (b) There will be no material changes in the management, trading and accounting policies currently adopted.
- (c) There will be no significant changes in the current demand and in prevailing market conditions in Malaysia and overseas which will adversely affect the Group's performance and businesses of its major customers and suppliers.
- (d) There will be no material changes in the present legislation or regulations, rates and basis of duties, levies and other taxes affecting the Group's activities.
- (e) There will be no major industrial disputes, economic and political changes or any abnormal circumstances which will adversely affect the operations of the Group.
- (f) Existing financing facilities will remain available to the Group and interest rates will not change significantly from those presently prevailing.
- (g) Exchange rates of foreign currencies will not substantially and adversely change from their present levels.
- (h) Inflation will remain at its current level.
- (i) There will be no material deviation in the scheduled commencement and completion dates of secured and projected contracts of the Group.

9. FINANCIAL INFORMATION (Cont'd)

EDARAN DIGITAL SYSTEMS BERHAD
(formerly known as Alpine Technologies Berhad)
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 30 JUNE 2001

- (j) There will be no significant warranty claims made against the Group arising from contracts undertaken by the Group.
- (k) Collections from progress billings to customers will be received and payments to suppliers of the Group will be made as scheduled.

As part of the flotation scheme, Edaran Digital Systems Berhad *(formerly known as Alpine Technologies Berhad)* will undertake the following:-

(i) Acquisitions

Edaran Digital Systems Berhad *(formerly known as Alpine Technologies Berhad)* acquired from existing shareholders 100% of the equity interest in Elitemac Resources Sdn Bhd Group (which holds Edaran Communications Sdn Bhd as a direct and wholly owned subsidiary) and Edaran Komputer Sdn Bhd for a total purchase consideration of RM25,612,735 and RM14,441,238 satisfied by the issue of 20,823,362 and 11,740,844 new ordinary shares of RM1 each respectively at an issue price of RM1.23 per ordinary share in Edaran Digital Systems Berhad *(formerly known as Alpine Technologies Berhad)* (hereinafter referred to as the Acquisitions).

(ii) Rights Issue

Edaran Digital Systems Berhad *(formerly known as Alpine Technologies Berhad)* made a rights issue (hereinafter referred to as the Rights Issue) of 17,835,792 new ordinary shares of RM1 each on the basis of approximately five hundred forty eight (548) new ordinary shares for every one thousand (1,000) existing shares held at an issue price of RM1 per share for total cash proceeds of RM17,835,792.

(iii) Placement

Edaran Digital Systems Berhad *(formerly known as Alpine Technologies Berhad)* will make a placement (hereinafter referred to as the Placement) of 1,360,000 new ordinary shares of RM1 each to certain clients and suppliers of Edaran Digital Systems Berhad *(formerly known as Alpine Technologies Berhad)* at an issue price of RM2.15 per share for total cash proceeds of RM2,924,000.

(iv) Public Issue

Edaran Digital Systems Berhad *(formerly known as Alpine Technologies Berhad)* will make a public issue (hereinafter referred to as the Public Issue) of 8,240,000 new ordinary shares of RM1 each at an issue price of RM2.15 per share for total cash proceeds of RM17,716,000.

The Acquisitions and Rights Issue were completed in January 2001.

It is assumed that the Placement and Public Issue will be completed by April 2001.

9. FINANCIAL INFORMATION (Cont'd)

9.2.3 Directors' Analysis on Profit Forecast

The Group's turnover is estimated to increase by 42.6% to RM124.5 million in financial year 2001 from RM87.3 million in financial year of 2000. The Group's profit before taxation is also estimated to surge by 12.5% from RM14.4 million in financial year of 2000 to RM16.2 million in financial year of 2001. The improvement in turnover and profit before taxation is primarily due to interest savings from repayment of bank borrowings and progress payments from the secured contracts.

With the receipt of the proceeds from the Placement and the Public Issue pursuant to the listing exercise, the level of gearing of the Group based on the proforma balance sheets as at 30 November 2000 after the proposed repayment of borrowings will be reduced from 0.39 times to 0.19 times. Further, the liquidity position of the Group will also improve. The Directors of EDARAN Group expects that the Group will have adequate working capital for its requirements for the financial year.

9.3 Dividend Forecast

Barring unforeseen circumstances, the Directors of EDARAN intend to declare a gross dividend of 5 % for the financial year ending 30 June 2001 based on the enlarged issued and paid-up share capital of 60,000,000 ordinary shares of RM1.00 each in EDARAN.

Financial Year Ending 30 June 2001	RM'000
Turnover	<u>124,534</u>
Consolidated profit before taxation	16,193
Less: Taxation	<u>(4,534)</u>
Consolidated profit after taxation	11,659
Less: Proposed dividend (less 28% tax)	(2,160)
Retained profit for the year	<u>9,499</u>
Gross dividend per ordinary share (sen)	5.0
Net dividend per ordinary share (sen)	3.6
Gross dividend yield based on the Placement / Issue / Offer Price of RM2.15 per ordinary share (%)	2.33
Net dividend yield based on the Placement / Issue / Offer Price of RM2.15 per ordinary share (%)	1.67
Gross dividend cover (times)	5.40
Net dividend cover (times)	5.40

9. FINANCIAL INFORMATION (Cont'd)



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REPORTING ACCOUNTANTS' LETTER ON PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in the Prospectus)

21 March 2001

The Board of Directors
Edaran Digital Systems Berhad
(formerly known as *Alpine Technologies Berhad*)
15th Floor Menara TR
161B Jalan Ampang
50450 Kuala Lumpur

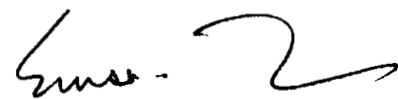
Dear Sirs

**PROFORMA CONSOLIDATED BALANCE SHEETS
FLOTATION ON THE KUALA LUMPUR STOCK EXCHANGE MAIN BOARD**

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Edaran Digital Systems Berhad (formerly known as *Alpine Technologies Berhad*) and its subsidiary companies as at 30 November 2000 together with the accompanying notes, for which the Directors are solely responsible, prepared for the purpose of inclusion in the Prospectus to be dated 30 March 2001.

In our opinion, the Proforma Consolidated Balance Sheets of Edaran Digital Systems Berhad (formerly known as *Alpine Technologies Berhad*) as at 30 November 2000, which are provided for illustrative purposes only, have been properly compiled on the bases set out in the notes thereto.

Yours faithfully



ERNST & YOUNG AF: 0039
Public Accountants



Yeo Eng Seng 1212/12/02(J)
Partner

9. FINANCIAL INFORMATION (Cont'd)

EDARAN DIGITAL SYSTEMS BERHAD
(formerly known as Alpine Technologies Berhad)
PROFORMA BALANCE SHEETS

The Proforma Balance Sheets set out below are provided for illustrative purposes only to show the effects on the audited balance sheets of Edaran Digital Systems Berhad *(formerly known as Alpine Technologies Berhad)*, Edaran Komputer Sdn Bhd and Elitemac Resources Sdn Bhd Group as at 30 November 2000 had the Acquisitions, Rights Issue, Placement and Public Issue been effected on that date.

	COMPANY	GROUP			
	Audited as at 30 Nov 2000 RM	After Acquisitions RM'000	After Rights Issue RM'000	After Placement RM'000	After Public Issue RM'000
FIXED ASSETS	-	13,695	13,695	13,695	13,695
ASSOCIATED COMPANIES	-	520	520	520	520
OTHER INVESTMENTS	-	355	355	355	355
CURRENT ASSETS (Note 5a)	2	120,848	138,684	141,608	156,324
CURRENT LIABILITIES (Note 5b)	692,486	88,085	88,085	88,085	88,085
Net Current (Liabilities) /Assets	(692,484)	32,763	50,599	53,523	68,239
DEFERRED EXPENDITURE	692,486	692	692	692	692
	2	48,025	65,861	68,785	83,501
SHARE CAPITAL	2	32,564	50,400	51,760	60,000
RESERVES (Note 4)	-	11,159	11,159	12,723	19,199
SHAREHOLDERS' FUNDS	2	43,723	61,559	64,483	79,199
DEFERRED & LONG TERM LIABILITIES (Note 5c)	-	4,302	4,302	4,302	4,302
	2	48,025	65,861	68,785	83,501
Net Tangible (Liability)/Asset per share (RM)	(346,242)	1.32	1.21	1.23	1.31

9. FINANCIAL INFORMATION (Cont'd)

EDARAN DIGITAL SYSTEMS BERHAD
(formerly known as Alpine Technologies Berhad)
NOTES TO THE PROFORMA BALANCE SHEETS

The Proforma Consolidated Balance Sheets have been prepared on accounting principles and basis consistent with those previously adopted in the preparation of audited financial statements. These have been prepared based on the audited balance sheets of Edaran Digital Systems Berhad (*formerly known as Alpine Technologies Berhad*), Edaran Komputer Sdn Bhd and Elitemac Resources Sdn Bhd Group as at 30 November 2000.

1. Flotation Scheme

(a) Acquisitions

Edaran Digital Systems Berhad (*formerly known as Alpine Technologies Berhad*) acquired from existing shareholders 100% of the equity interest in Elitemac Resources Sdn Bhd Group (which holds Edaran Communications Sdn Bhd as a direct and wholly owned subsidiary) and Edaran Komputer Sdn Bhd for a total purchase consideration of RM25,612,735 and RM14,441,238 satisfied by the issue of 20,823,362 and 11,740,844 new ordinary shares of RM1 each respectively at an issue price of RM1.23 per ordinary share in Edaran Digital Systems Berhad (*formerly known as Alpine Technologies Berhad*) (hereinafter referred to as the Acquisitions).

The Acquisitions are consolidated using the merger method in accordance with Malaysian Accounting Standard 2.

(b) Rights Issue

Edaran Digital Systems Berhad (*formerly known as Alpine Technologies Berhad*) made a rights issue (hereinafter referred to as the Rights Issue) of 17,835,792 new ordinary shares of RM1 each on the basis of approximately five hundred forty eight (548) new ordinary shares for every one thousand (1,000) existing shares held at an issue price of RM1 per share for total cash proceeds of RM17,835,792.

(c) Placement

Edaran Digital Systems Berhad (*formerly known as Alpine Technologies Berhad*) will make a placement (hereinafter referred to as the Placement) of 1,360,000 new ordinary shares of RM1 each to certain clients and suppliers of Edaran Digital Systems Berhad (*formerly known as Alpine Technologies Berhad*) at an issue price of RM2.15 per share for total cash proceeds of RM2,924,000.

The premium arising from the Placement of RM1,564,000 is credited to the share premium account.

9. FINANCIAL INFORMATION (Cont'd)

(d) Public Issue

Edaran Digital Systems Berhad (*formerly known as Alpine Technologies Berhad*) will make a public issue (hereinafter referred to as the Public Issue) of 8,240,000 new ordinary shares of RM1 each at an issue price of RM2.15 per share for total cash proceeds of RM17,716,000.

The premium arising from the Public Issue of RM9,476,000 is credited to the share premium account.

2. Estimated expenses of RM3.0 million relating to the Acquisitions, Rights Issue, Placement and Public Issue have been debited against share premium.
3. It is assumed that the cash proceeds of RM35.476 million (after deducting estimated listing expenses of RM3.0 million) to be received from the Rights Issue, Placement and Public Issue will be utilised as follows:-

	RM million
Business development	4.492
Repayment of existing bank borrowings	15.593
Working capital	15.391
	<u>35.476</u>

9. FINANCIAL INFORMATION (Cont'd)

4. Analysis of reserves as at 30 November 2000 is as follows:-

	Share Premium RM'000	Reserve on Consolidation RM'000	Asset Revaluation Reserve RM'000	Retained Profits RM'000	Total RM'000
As per audited accounts as at 30 November 2000	-	399	2,285	39,440	42,124
Less: Merger adjustment	-	(399)	(2,285)	(28,281)	(30,965)
After Acquisitions	-	-	-	11,159	11,159
Premium arising from Placement	1,564	-	-	-	1,564
Premium arising from Public Issue	9,476	-	-	-	9,476
Less: Listing expenses	(3,000)	-	-	-	(3,000)
After Public Issue	8,040	-	-	11,159	19,199

9. FINANCIAL INFORMATION (Cont'd)

5. Analysis of Current Assets, Current Liabilities and Deferred and Long Term Liabilities are as follows:-

	COMPANY	← GROUP →			
	Audited as at	After	After	After	After
	30 Nov 2000	Acquisition	Rights Issue	Placement	Public Issue
	RM	RM'000	RM'000	RM'000	RM'000
(a) Current Assets					
Work in progress	-	(5,314)	(5,314)	(5,314)	(5,314)
Trade debtors	-	92,863	92,863	92,863	92,863
Other debtors, deposits and prepayments	-	3,283	3,283	3,283	3,283
Short term deposits placed with licensed banks	-	26,086	26,086	26,086	26,086
Cash and bank balances	2	3,930	21,766	24,690	39,406
	<u>2</u>	<u>120,848</u>	<u>138,684</u>	<u>141,608</u>	<u>156,324</u>
(b) Current Liabilities					
Trade creditors	-	55,515	55,515	55,515	55,515
Other creditors and accruals	692,486	1,425	1,425	1,425	1,425
Hire purchase creditors	-	345	345	345	345
Bank borrowings	-	26,062	26,062	26,062	26,062
Taxation	-	4,738	4,738	4,738	4,738
	<u>692,486</u>	<u>88,085</u>	<u>88,085</u>	<u>88,085</u>	<u>88,085</u>
(c) Deferred and Long Term Liabilities					
Hire purchase creditors	-	211	211	211	211
Bank term loans	-	4,073	4,073	4,073	4,073
Deferred taxation	-	18	18	18	18
	<u>-</u>	<u>4,302</u>	<u>4,302</u>	<u>4,302</u>	<u>4,302</u>