

EDARAN BERHAD

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	<u>Current Year</u>	<u>Corresponding</u>	<u>Current Year</u>	<u>Corresponding Year</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>To Date</u>	<u>To Date</u>
	<u>31/12/2008</u>	<u>31/12/2007</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	35,200	10,944	48,686	30,543
COST OF SALES	<u>(30,938)</u>	<u>(7,759)</u>	<u>(39,834)</u>	<u>(23,454)</u>
GROSS PROFIT	4,262	3,185	8,852	7,089
OTHER OPERATING INCOME	81	542	325	729
ADMINISTRATIVE EXPENSES	(2,579)	(2,305)	(5,434)	(4,865)
OTHER OPERATING EXPENSES	<u>(1,590)</u>	<u>(1,082)</u>	<u>(3,417)</u>	<u>(2,349)</u>
PROFIT FROM OPERATIONS	174	340	326	604
FINANCE COSTS	<u>(116)</u>	<u>(109)</u>	<u>(213)</u>	<u>(235)</u>
PROFIT BEFORE TAXATION	58	231	113	369
TAXATION	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PROFIT AFTER TAXATION	<u>58</u>	<u>231</u>	<u>113</u>	<u>369</u>
EARNINGS PER SHARE (SEN)	<u>0.10</u>	<u>0.42</u>	<u>0.19</u>	<u>0.67</u>
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	58	253	113	401
MINORITY INTEREST	<u>0</u>	<u>(22)</u>	<u>0</u>	<u>(32)</u>
	<u>58</u>	<u>231</u>	<u>113</u>	<u>369</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)

EDARAN BERHAD

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2008

		<u>AS AT END</u> <u>OF CURRENT YEAR</u> <u>TO DATE</u>	<u>AS AT</u> <u>PRECEDING YEAR</u> <u>FINANCIAL YEAR</u> <u>ENDED</u>
	Note	<u>31/12/2008</u> RM'000	<u>30/06/2008</u> RM'000
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT		9,205	8,045
INVESTMENT PROPERTY - FREEHOLD		8,645	8,645
PREPAID LAND LEASE PAYMENTS		8,286	8,334
ASSOCIATED COMPANIES	20	71	71
OTHER INVESTMENTS	21	-	-
CURRENT ASSETS			
Inventories		16	16
Amount due from customers for contract works		6,609	8,739
Trade receivables		38,240	15,866
Other receivables		1,889	1,880
Tax recoverable		856	856
Amount due by related company		249	249
Fixed deposits		13,495	13,154
Cash and bank balances		4,380	3,613
		<u>65,734</u>	<u>44,373</u>
CURRENT LIABILITIES			
Amount due to customers for contract works		4,270	1,054
Trade payables		31,630	11,848
Other payables		3,563	2,844
Borrowings	23 (a)	1,114	3,249
Taxation		-	-
		<u>40,577</u>	<u>18,995</u>
NET CURRENT ASSETS		<u>25,157</u>	<u>25,378</u>
		<u>51,364</u>	<u>50,473</u>
FINANCED BY:			
SHARE CAPITAL		60,000	60,000
SHARE PREMIUM		8,022	8,022
TREASURY SHARES		(1,047)	(1,046)
REVALUATION RESERVE		1,225	1,225
ACCUMULATED LOSS		(19,922)	(19,696)
SHAREHOLDERS' FUNDS		<u>48,278</u>	<u>48,505</u>
MINORITY INTEREST		-	-
TOTAL EQUITY		<u>48,278</u>	<u>48,505</u>
DEFERRED AND LONG TERM LIABILITIES			
Borrowings	23 (b)	3,086	1,968
Deferred taxation		-	-
		<u>3,086</u>	<u>1,968</u>
		<u>51,364</u>	<u>50,473</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the
Annual Financial Report for the year ended 30 June 2008)

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2008

	← Non-Distributable →					Attributable to Equity Holders of the Company	Minority Interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Accumulated Loss RM'000	Total RM'000	RM'000	Total RM'000
At 1 July 2007	60,000	8,004	(470)	1,225	(21,036)	47,723	-	47,723
Treasury Shares :								
Purchased	-	-	(602)	-	-	(602)	-	(602)
Sold	-	18	26	-	-	44	-	44
Issuance of ordinary shares in a subsidiary	-	-	-	-	-	-	57	57
Profit for the year	-	-	-	-	1,927	1,927	(57)	1,870
Dividend Paid					(587)	(587)	-	(587)
At 30 June 2008	<u>60,000</u>	<u>8,022</u>	<u>(1,046)</u>	<u>1,225</u>	<u>(19,696)</u>	<u>48,505</u>	<u>-</u>	<u>48,505</u>
At 1 July 2008	60,000	8,022	(1,046)	1,225	(19,696)	48,505	-	48,505
Treasury Shares:								
Purchased	-	-	(1)	-	-	(1)	-	(1)
Sold	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	113	113	-	113
Dividend Paid	-	-	-	-	(339)	(339)	-	(339)
At 31 December 2008	<u>60,000</u>	<u>8,022</u>	<u>(1,047)</u>	<u>1,225</u>	<u>(19,922)</u>	<u>48,278</u>	<u>-</u>	<u>48,278</u>
At 1 July 2007	60,000	8,004	(470)	1,225	(21,036)	47,723	-	47,723
Treasury Shares :								
Purchased	-	-	(602)	-	-	(602)	-	(602)
Sold	-	18	26	-	-	44	-	44
Issuance of ordinary shares in a subsidiary	-	-	-	-	-	-	57	57
Profit for the period	-	-	-	-	401	401	(32)	369
Dividend Paid	-	-	-	-	(587)	(587)	-	(587)
At 31 December 2007	<u>60,000</u>	<u>8,022</u>	<u>(1,046)</u>	<u>1,225</u>	<u>(21,222)</u>	<u>46,979</u>	<u>25</u>	<u>47,004</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)

EDARAN BERHAD**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2008**

	Current Year to date 31/12/08 RM' 000	Corresponding Year to date 31/12/07 RM' 000
Net cash (used in)/generated from operating activities	4,252	4,879
Net cash (used in)/generated from investing activities	(805)	(1,345)
Net cash generated from/(used in) financing activities	<u>(2,471)</u>	<u>(2,755)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	976	779
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	8,497	10,008
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>9,473</u></u>	<u><u>10,787</u></u>

Cash and cash equivalents comprise the following:

Bank overdrafts	-	-
Deposits with licensed banks	13,495	14,583
Cash and bank balances	<u>4,380</u>	<u>2,808</u>
	17,875	17,391
Less: Deposits pledged as security with licensed banks	<u>(8,402)</u>	<u>(6,604)</u>
	<u><u>9,473</u></u>	<u><u>10,787</u></u>

**(The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual
Financial Report for the year ended 30 June 2008)**

EDARAN BERHAD

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2008

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) No 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2008.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 30 June 2008.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 30 June 2008 was not qualified.

3. Comments About Seasonal or Cyclical Factors

The Group’s performance is not affected by seasonal or cyclical impacts.

4. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the current quarter and financial period ended 31 December 2008.

5. Changes in estimates

There were no changes in the estimates that have had a material effect in the current quarter and financial period ended 31 December 2008.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter and financial period ended 31 December 2008 other than as mentioned below:-

During the current quarter, the Company purchased 2,800 of its own shares from the open market at an average price of RM0.35 per share. The total consideration paid for the shares purchased including transaction costs was RM1,021.30. The shares purchased are being held as treasury shares in accordance with section 67A of the Companies Act, 1965. The highest and the lowest price paid per share were RM0.35.

As at 31 December 2008, the Company held as treasury shares a total of 2,087,800 of its 60,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,046,832.

7. Dividends Paid

The amount of dividends paid by the Company during the financial period ended 31 December 2008 were as follows:

In respect of the financial year ended 30 June 2008, a final dividend of 0.78% less 25% taxation, on 57,915,000 ordinary shares was declared on 27 November 2008. The full amount of RM339 thousand was paid on 26 December 2008.

8. Segmental Information

	Current Quarter Ended 31/12/08 RM'000	Current Year To Date Ended 31/12/08 RM'000
Segment Revenue		
Information Technology	35,200	48,686
Telecommunications	-	-
Others	162	324
	<u>35,362</u>	<u>49,010</u>
Elimination	(162)	(324)
Group revenue	<u>35,200</u>	<u>48,686</u>
Segment Results		
Information Technology	1,125	2,009
Telecommunications	(275)	(469)
Others	(461)	(789)
	<u>389</u>	<u>751</u>
Elimination	(215)	(425)
Profit from operations	<u>174</u>	<u>326</u>

9. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 30 June 2008.

10. Subsequent Events

There were no material events subsequent to the end of the current quarter and financial period ended 31 December 2008.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period ended 31 December 2008 other than as mentioned below:-

1) Acquisition of Modern Authentics Sdn Bhd

On 12 November 2008, the Company acquired the entire issued and paid-up capital of Modern Authentics Sdn Bhd (MASB) comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

MASB was incorporated in Malaysia under the Companies Act, 1965 on 05 August 2008 with an authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each. MASB is presently a dormant company. The name of MASB has been changed to Edaran Lifestyle Trading Services Sdn Bhd (ELTS) on 19 November 2008.

Effectively, ELTS has become a wholly-owned subsidiary of the Company.

2) Acquisition of Mentor Property Management Sdn Bhd

On 12 November 2008, the Company acquired the entire issued and paid-up capital of Mentor Property Management Sdn Bhd (MPM) comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

MPM was incorporated in Malaysia under the Companies Act, 1965 on 10 September 2008 with an authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each. MPM is presently a dormant company. The name of MPM has been changed to Edaran Lifestyle Maintenance Services Sdn Bhd (ELMS) on 20 November 2008.

Effectively, ELMS has become a wholly-owned subsidiary of the Company.

3) Acquisition of Nature's Trail Sdn Bhd

On 12 November 2008, the Company acquired the entire issued and paid-up capital of Nature's Trail Sdn Bhd (NTSB) comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

NTSB was incorporated in Malaysia under the Companies Act, 1965 on 10 July 2008 with an authorised share capital of RM100,000.00 divided

into 100,000 ordinary shares of RM1.00 each. NTSB is presently a dormant company. The name of NTSB has been changed to Edaran Lifestyle Sdn Bhd (ELS) on 30 December 2008.

Effectively, ELS has become a wholly-owned subsidiary of the Company.

Effects of the acquisition of the subsidiary companies as disclosed above had the following effect on the Group's financial results for the current year to date:

The cost of acquisitions and cash inflow on acquisition are as follows:

	<u>RM</u>
Purchase consideration satisfied by cash	6.00
Costs attributable to the acquisitions, paid in cash	<u>6,750.00</u>
Total cost of acquisitions	6,756.00
Cash and cash equivalents of subsidiary companies acquired	<u>(6.00)</u>
Net cash outflow of the Group	<u>6,750.00</u>

12. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 30 June 2008.

13. Capital Commitments

There were no capital commitments for the current quarter and financial period ended 31 December 2008.

14. Performance Review

The Group's revenue for the current quarter and financial period ended 31 December 2008 increased to RM48.686 million from RM30.543 million in the prior corresponding quarter and financial period ended 31 December 2007. The increase in revenue was mainly due to new projects secured and the completion of certain projects during the period. However, the decrease in gross profit margin during the financial period resulted in the Group recording a lower profit before taxation of RM113 thousand compared to a profit before taxation of RM369 thousand for the corresponding quarter and financial period ended 31 December 2007.

15. Comment on Material Change in Profit Before Taxation

The Group recorded a profit before taxation of RM58 thousand for the current quarter ended 31 December 2008 (2Q09) as compared to RM55 thousand profit before taxation for the quarter ended 30 September 2008 (1Q09). The variance was mainly attributable to a better cost management.

16. Commentary on Prospects

The financial performance of the Group is expected to improve in the subsequent quarters.

17. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and shortfall in profit guarantee are not applicable.

18. Taxation

	Current Quarter Ended 31/12/08 RM'000	Current Year To Date Ended 31/12/08 RM'000
Current year provision	Nil	Nil
Under/(over) provision in prior years	Nil	Nil
	<hr/>	<hr/>
	Nil	Nil
Deferred tax:		
Relating to the origination and reversal of temporary differences	Nil	Nil
Over provision in prior years	Nil	Nil
	<hr/>	<hr/>
	Nil	Nil

19. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the quarter and financial period ended 31 December 2008.

20. Investments in Associated Companies

Investments in Associated Companies as at the end of the reporting period: -

	<u>RM'000</u>
Unquoted shares, at cost	490
Less: Accumulated impairment losses	<u>(419)</u>
Total investments at book value	<u>71</u>

21. Quoted and Unquoted securities

- i. There was no purchase or sale of quoted shares for the current quarter and financial year to date.
- ii. Investments in quoted and unquoted securities/warrants as at the end of the reporting period:-

	<u>RM'000</u>
<u>Quoted</u>	
Shares, at cost	5
Warrants, at cost	-
Total investments at cost	<u>5</u>
Less: Accumulated impairment losses	<u>(5)</u>
	0
<u>Unquoted</u>	
Shares, at cost	250
Less: Accumulated impairment losses	<u>(250)</u>
	0
Total investment at book value	<u>0</u>
Total investments at market value	<u>1</u>

22. Corporate Proposals

Status of Corporate Proposals

There were no corporate proposals announced for the current period and financial year to date.

23. Borrowings and Debt Securities

Details of the Group borrowings as at 31 December 2008 are as follows:

	As at 31.12.08 RM'000
(a) <u>Short Term borrowings</u>	
<u>Secured</u>	
Bank Overdraft	-
Trust Receipts	328
Bankers Acceptance	-
Term loan repayable within 12 months	342
Hire purchase creditor repayable within 12 months	444
	<hr/> <hr/> 1,114
 (b) <u>Long Term borrowings</u>	
<u>Secured</u>	
Term loan repayable after 12 months	1,060
Hire purchase creditor after 12 months	2,026
	<hr/> <hr/> 3,086

All of the above borrowings are denominated in Ringgit Malaysia.

24. Off Balance Sheet Financial Instruments

The Group is not involved in any financial instruments, which may have Off-Balance Sheet risk.

25. Dividend Payable

No interim dividend has been declared or recommended in respect of the financial year ending 30 June 2009.

26. Earnings per share

	Current Quarter ended 31/12/08 RM'000	Current Year To Date Ended 31/12/08 RM'000
Basic		
Net profit for the period	58	113
Number of ordinary shares in issue as at 30 June 2008	60,000	60,000
Basic earnings per share (sen)	0.10	0.19
Diluted		
Net profit for the period	58	113
Number of ordinary shares in issue as at 30 June 2008	60,000	60,000
Diluted earnings per share (sen)	0.10	0.19

27. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2009.

BY ORDER OF THE BOARD

DATIN RIZANA MOHD DAUD
Company Secretary