

**EDARAN BERHAD**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	<u>Current Year</u>	<u>Corresponding Year</u>	<u>Current Year</u>	<u>Corresponding Year</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>To Date</u>	<u>To Date</u>
	<u>30/06/2011</u>	<u>30/06/2010</u>	<u>30/06/2011</u>	<u>30/06/2010</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	9,911	13,883	43,409	57,093
COST OF SALES	<u>(7,165)</u>	<u>(10,009)</u>	<u>(32,923)</u>	<u>(41,003)</u>
GROSS PROFIT	2,746	3,874	10,486	16,090
OTHER OPERATING INCOME	100	217	440	512
ADMINISTRATIVE EXPENSES	(3,108)	(2,519)	(10,890)	(10,122)
OTHER OPERATING EXPENSES	<u>(1,489)</u>	<u>(1,001)</u>	<u>(7,807)</u>	<u>(6,171)</u>
PROFIT / (LOSS) FROM OPERATIONS	(1,751)	571	(7,771)	309
FINANCE COSTS	<u>(79)</u>	<u>(47)</u>	<u>(280)</u>	<u>(255)</u>
PROFIT / (LOSS) BEFORE TAXATION	(1,830)	524	(8,051)	54
TAXATION	0	361	200	361
PROFIT / (LOSS) AFTER TAXATION	<u>(1,830)</u>	<u>885</u>	<u>(7,851)</u>	<u>415</u>
(LOSS) / EARNINGS PER SHARE (SEN)	<u>(3.05)</u>	<u>1.48</u>	<u>(13.09)</u>	<u>0.69</u>
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	(1,830)	885	(7,851)	415
MINORITY INTEREST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>(1,830)</u>	<u>885</u>	<u>(7,851)</u>	<u>415</u>

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2010)**

EDARAN BERHAD

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2011

		<u>AS AT END</u> <u>OF CURRENT YEAR</u> <u>TO DATE</u> <u>30/06/2011</u> RM'000	<u>AS AT</u> <u>PRECEDING YEAR</u> <u>FINANCIAL YEAR</u> <u>ENDED</u> <u>30/06/2010</u> RM'000
<b>NON-CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT		14,210	14,836
INVESTMENT PROPERTY - FREEHOLD		8,645	8,645
PREPAID LAND LEASE		8,048	8,144
GOODWILL		2,735	-
OTHER INVESTMENTS	20	-	-
<b>CURRENT ASSETS</b>			
Inventories		127	-
Amount due from customers for contract works		4,048	8,977
Trade receivables		6,331	11,080
Other receivables		2,133	1,344
Tax recoverable		362	486
Amount due by related company		249	249
Fixed deposits		8,245	11,095
Cash and bank balances		1,617	3,417
		<u>23,112</u>	<u>36,648</u>
<b>CURRENT LIABILITIES</b>			
Amount due to customers for contract works		1,262	210
Trade payables		4,937	10,261
Other payables		5,864	5,860
Borrowings	22 (a)	2,975	2,465
Taxation		-	-
		<u>15,038</u>	<u>18,796</u>
<b>NET CURRENT ASSETS</b>		<u>8,074</u>	<u>17,852</u>
		<u>41,712</u>	<u>49,477</u>
<b>FINANCED BY:</b>			
SHARE CAPITAL		60,000	60,000
SHARE PREMIUM		8,022	8,022
TREASURY SHARES		(1,049)	(1,049)
REVALUATION RESERVE		1,225	1,225
TRANSLATION RESERVE		(139)	(77)
ACCUMULATED LOSSES		<u>(28,119)</u>	<u>(19,816)</u>
SHAREHOLDERS' FUNDS		39,940	48,305
MINORITY INTEREST		-	-
<b>TOTAL EQUITY</b>		<u>39,940</u>	<u>48,305</u>
<b>DEFERRED AND LONG TERM LIABILITIES</b>			
Borrowings	22 (b)	1,322	1,172
Amount due to director		450	-
		<u>1,772</u>	<u>1,172</u>
		<u>41,712</u>	<u>49,477</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2010)

EDARAN BHD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2011

	← Non-Distributable →					Accumulated Loss RM'000	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	Translation Reserve RM'000		Total RM'000	RM'000	Total RM'000
At 1 July 2009	60,000	8,022	(1,048)	1,225	(26)	(19,779)	48,394	-	48,394
Treasury Shares :									
Purchased	-	-	(1)	-	-	-	(1)	-	(1)
Sold	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	415	415	-	415
Translation Reserves (Foreign Currency)					(51)		(51)		(51)
Dividend Paid						(452)	(452)	-	(452)
At 30 June 2010	<u>60,000</u>	<u>8,022</u>	<u>(1,049)</u>	<u>1,225</u>	<u>(77)</u>	<u>(19,816)</u>	<u>48,305</u>	<u>-</u>	<u>48,305</u>
At 1 July 2010	60,000	8,022	(1,049)	1,225	(77)	(19,816)	48,305	-	48,305
Treasury Shares:									
Purchased	-	-	-	-	-	-	-	-	-
Sold	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(7,851)	(7,851)	-	(7,851)
Translation Reserves (Foreign Currency)	-	-	-	-	(62)		(62)	-	(62)
Dividend Paid	-	-	-	-	-	(452)	(452)	-	(452)
<b>At 30 June 2011</b>	<b><u>60,000</u></b>	<b><u>8,022</u></b>	<b><u>(1,049)</u></b>	<b><u>1,225</u></b>	<b><u>(139)</u></b>	<b><u>(28,119)</u></b>	<b><u>39,940</u></b>	<b><u>-</u></b>	<b><u>39,940</u></b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2010)

**EDARAN BERHAD**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR QUARTER ENDED 30 JUNE 2011**

	Current Year to date 30/06/11 RM' 000	Corresponding Year to date 30/06/10 RM' 000
Net cash (used in)/generated from operating activities	(3,678)	7,771
Net cash (used in)/generated from investing activities	(1,141)	(6,904)
Net cash generated from/(used in) financing activities	<u>996</u>	<u>(1,671)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(3,823)	(804)
Effect of Exchange rate changes	(25)	(39)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	5,165	6,008
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>1,317</u></u>	<u><u>5,165</u></u>

Cash and cash equivalents comprise the following:

Bank overdrafts	(1,383)	(824)
Deposits with licensed banks	8,245	11,095
Cash and bank balances	<u>1,617</u>	<u>3,417</u>
	8,479	13,688
Less: Deposits pledged as security with licensed banks	<u>(7,162)</u>	<u>(8,523)</u>
	<u><u>1,317</u></u>	<u><u>5,165</u></u>

**(The condensed Consolidated Cash Flow Statement should be read in conjunction with the  
Annual Financial Report for the year ended 30 June 2010)**

# **EDARAN BERHAD**

## **NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2011**

### **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 2010. 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 2010.

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 2010.

### **2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the year ended 30 June 2010 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 30 June 2011.

### **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 30 June 2011.

## 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 30 June 2011 other than as mentioned below:-

As at 30 June 2011, the Company held as treasury shares a total of 2,094,800 of its 60,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,049,536.

## 7. Dividends Paid

The amount of dividends paid by the Company during the financial period ended 30 June 2011 were as follows:

In respect of the financial year ended 30 June 2010, first and final dividend of 0.78 sen tax exempt per ordinary share of RM1.00, on 57,907,200 ordinary shares was declared on 2 December 2010. The full amount of RM452 thousand was paid on 27 December 2010.

## 8. Segmental Information

	Current Quarter Ended 30/06/11 RM'000	Current Year To Date Ended 30/06/11 RM'000
Segment Revenue		
Information Technology	9,825	41,200
Telecommunications	-	-
Lifestyles	86	2,209
Others	162	648
	<u>10,073</u>	<u>44,057</u>
Elimination	(162)	(648)
Group revenue	<u>9,911</u>	<u>43,409</u>
Segment Results		
Information Technology	(786)	(2,429)
Telecommunications	(137)	(558)
Lifestyles	(293)	(710)
Others	(386)	(3,412)
	<u>(1,602)</u>	<u>(7,109)</u>
Elimination	(149)	(662)
Loss from operations	<u>(1,751)</u>	<u>(7,771)</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 2010.

## **10. Subsequent Events**

There were no material events subsequent to the end of the current quarter and financial period ended 30 June 2011.

## **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 30 June 2011 other than as mentioned below:-

### Acquisition of PT Linewin

On 16 June 2011, the Company via its subsidiary, Edaran Lifestyle Trading Services acquired 51% or 312,245 new shares in PT Linewin, a company incorporated in Indonesia. The total consideration paid was RM1.5 million.

PT Linewin was incorporated as a private limited company in the Republic of Indonesia, details being as follows:

Incorporation Date	: 2 November 2006
Authorised Share Capital	: US\$800,000.00
Paid-up Share Capital	: US\$612,245.00
Principal Activity	: Manufacturing, processing and trading of timber wood including rubber wood; and related product.

Effectively, PT Linewin has become a subsidiary of the Company.

**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 2010.

**13. Capital Commitments**

There were no capital commitments for the current quarter and financial period ended 30 June 2011.

**14. Performance Review**

The Group's revenue for the current quarter and financial period ended 30 June 2011 decreased to RM43.409 million from RM57.093 million in the prior corresponding quarter and financial period ended 30 June 2010. The decrease in revenue was mainly due to the completion of certain projects during the period. In addition, the decrease in gross profit margin resulted in the Group recording a loss before taxation of RM8.051 million compared to a profit before taxation of RM54 thousand for the corresponding quarter and financial period ended 30 June 2010.

**15. Comment on Material Change in Profit Before Taxation**

The Group recorded a loss before taxation of RM1.830 million for the current quarter ended 30 June 2011 (4Q11) as compared to RM3.178 million loss before taxation for the quarter ended 31 March 2011 (3Q11). The variance was mainly attributable to a better gross profit of RM2.745 million registered in 4Q11 as compared to RM1.869 million registered in 3Q11

**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 30/06/11 RM'000	Current Year To Date Ended 30/06/11 RM'000
Current year provision	Nil	Nil
Tax recoverable arising from dividend income received	Nil	Nil
Under/(over) provision in prior years	<u>Nil</u>	<u>(200)</u>
	Nil	(200)
Deferred tax:		
Relating to the origination and reversal of temporary differences	Nil	Nil
Over provision in prior years	<u>Nil</u>	<u>Nil</u>
	<u>Nil</u>	<u>(200)</u>

## 19. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the quarter and financial period ended 30 June 2011.

## 20. 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
Less: Accumulated impairment losses	(5)
	<u>0</u>
 <u>Unquoted</u>	
Shares, at cost	250
Less: Accumulated impairment losses	(250)
	<u>0</u>
Total investment at book value	<u>0</u>
Total investments at market value	<u><u>2</u></u>

## 21. Corporate Proposals

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

## 22. Borrowings and Debt Securities

Details of the Group borrowings as at 30 June 2011 are as follows:

	As at 30.06.11 RM'000
(a) <u>Short Term borrowings</u>	
<u>Secured</u>	
Bank Overdraft	1,383
Trust Receipts	114
Bankers Acceptance	700
Term loan repayable within 12 months	238
Hire purchase creditor repayable within 12 months	540
	<u>2,975</u>

(b) **Long Term borrowings**  
**Secured**

Term loan repayable after 12 months	676
Hire purchase creditor after 12 months	646
	<hr/>
	1,322
	<hr/>

All of the above borrowings are denominated in Ringgit Malaysia.

**23. Off Balance Sheet Financial Instruments**

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

**24. Dividend**

No interim dividend has been declared or recommended in respect of the financial year ended 30 June 2011.

**25. Earnings per share**

	Current Quarter ended 30/06/11 RM'000	Current Year To Date Ended 30/06/11 RM'000
<b>Basic</b>		
Net loss for the period	1,830	7,851
Number of ordinary shares in issue as at 30 June 2010	60,000	60,000
Basic loss per share (sen)	3.05	13.09
<b>Diluted</b>		
Net profit for the period	1,830	7,851
Number of ordinary shares in issue as at 30 June 2010	60,000	60,000
Diluted loss per share (sen)	3.05	13.09

**26. Realised and unrealized retained earnings / accumulated losses**

	As at 30/06/11 RM'000
<b>Total Accumulated Loss (Company and subsidiaries)</b>	
- Realised	(28,119)
- Unrealised	-
Total group accumulated loss	<b>(28,119)</b>

**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 24 August 2011.

**BY ORDER OF THE BOARD**

**DATIN RIZANA MOHD DAUD**  
Company Secretary