

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<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>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	35,386	9,317	43,601	20,069
COST OF SALES	<u>(31,304)</u>	<u>(6,273)</u>	<u>(36,351)</u>	<u>(14,631)</u>
GROSS PROFIT	4,082	3,044	7,250	5,438
OTHER OPERATING INCOME	93	62	139	162
ADMINISTRATIVE EXPENSES	(2,854)	(2,916)	(5,614)	(5,322)
OTHER OPERATING EXPENSES	<u>(1,011)</u>	<u>(869)</u>	<u>(2,212)</u>	<u>(1,670)</u>
PROFIT / (LOSS) FROM OPERATIONS	310	(679)	(437)	(1,392)
FINANCE COSTS	<u>(144)</u>	<u>(168)</u>	<u>(350)</u>	<u>(318)</u>
PROFIT / (LOSS) BEFORE TAXATION	166	(847)	(787)	(1,710)
TAXATION	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PROFIT / (LOSS) AFTER TAXATION	<u>166</u>	<u>(847)</u>	<u>(787)</u>	<u>(1,710)</u>
EARNINGS / (LOSS) PER SHARE (SEN)	<u>0.67</u>	<u>(1.42)</u>	<u>(0.71)</u>	<u>(2.30)</u>
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	389	(825)	(411)	(1,656)
MINORITY INTEREST	<u>(223)</u>	<u>(22)</u>	<u>(376)</u>	<u>(54)</u>
	<u>166</u>	<u>(847)</u>	<u>(787)</u>	<u>(1,710)</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016)

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

		<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>31/12/2016</u> RM'000	<u>30/06/2016</u> RM'000
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	20	27,800	24,580
Other investment		-	-
		<u>27,800</u>	<u>24,580</u>
CURRENT ASSETS			
Inventories		12,394	11,236
Amount due from customers for contract works		1,426	4,896
Trade receivables		2,034	4,747
Other receivables		4,293	2,404
Deposit with licensed banks		19,727	920
Cash and bank balances		2,855	603
		<u>42,729</u>	<u>24,806</u>
TOTAL ASSETS		<u>70,529</u>	<u>49,386</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		60,000	60,000
Share premium		8,022	8,022
Treasury shares		(1,049)	(1,049)
Revaluation reserve		9,728	5,785
Translation reserve		196	(349)
Accumulated loss		<u>(43,862)</u>	<u>(43,451)</u>
		33,035	28,958
Non - controlling interests		<u>(2,817)</u>	<u>(2,965)</u>
TOTAL EQUITY		<u>30,218</u>	<u>25,993</u>
NON - CURRENT LIABILITIES			
Borrowings	22 (b)	4,518	4,823
Deferred taxation		1,990	1,990
		<u>6,508</u>	<u>6,813</u>
CURRENT LIABILITIES			
Amount due to customers for contract works		4,587	1,577
Trade payables		11,829	5,675
Other payables		13,783	4,468
Provision for taxation		224	411
Borrowings	22 (a)	3,380	4,449
		<u>33,803</u>	<u>16,580</u>
Total liabilities		<u>40,311</u>	<u>23,393</u>
TOTAL EQUITY AND LIABILITIES		<u>70,529</u>	<u>49,386</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016)

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2016

	← 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	Translation Reserve RM'000	Accumulated Loss RM'000	Total RM'000	RM'000	Total RM'000
At 1 July 2016	60,000	8,022	(1,049)	5,785	(349)	(43,451)	28,958	(2,965)	25,993
Foreign currency translation	-	-	-	-	545	-	545	524	1,069
Property Revaluation Surplus	-	-	-	3,943	-	-	3,943	-	3,943
Loss for the period	-	-	-	-	-	(411)	(411)	(376)	(787)
Total comprehensive loss for the period	-	-	-	3,943	545	(411)	4,077	148	4,225
At 31 December 2016	60,000	8,022	(1,049)	9,728	196	(43,862)	33,035	(2,817)	30,218
At 1 July 2015	60,000	8,022	(1,049)	5,792	(497)	(39,035)	33,233	(2,642)	30,591
Foreign currency translation	-	-	-	-	337	-	337	-	337
Loss for the period	-	-	-	-	-	(1,656)	(1,656)	(54)	(1,710)
Total comprehensive loss for the period	-	-	-	-	337	(1,656)	(1,319)	(54)	(1,373)
At 31 December 2015	60,000	8,022	(1,049)	5,792	(160)	(40,691)	31,914	(2,696)	29,218

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016)

EDARAN BERHAD

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR QUARTER ENDED 31 DECEMBER 2016**

	Current Year to date 31/12/16 RM' 000	Corresponding Year to date 31/12/15 RM' 000
Net cash (used in)/generated from operating activities	21,210	(1,983)
Net cash (used in)/generated from investing activities	240	(17)
Net cash generated from/(used in) financing activities	<u>(294)</u>	<u>(2,437)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	21,156	(4,437)
Effect of Exchange rate changes	984	251
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(108)	5,652
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>22,032</u></u>	<u><u>1,466</u></u>

Cash and cash equivalents comprise the following:

Bank overdrafts	-	(923)
Deposits with licensed banks	19,727	3,239
Cash and bank balances	<u>2,855</u>	<u>2,038</u>
	22,582	4,354
Less: Deposits pledged as security with licensed banks	<u>(550)</u>	<u>(2,888)</u>
	<u><u>22,032</u></u>	<u><u>1,466</u></u>

**(The condensed Consolidated Cash Flow Statement should be read in conjunction with the
Annual Financial Report for the year ended 30 June 2016)**

EDARAN BERHAD

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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 Main Market 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 2016. 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 2016.

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 2016.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 30 June 2016 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 2016.

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 2016.

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 2016 other than as mentioned below:-

As at 31 December 2016, 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

There is no dividend paid during the financial period ended 31 December 2016.

8. Segmental Information

	Current Quarter Ended 31/12/16 RM'000	Current Year To Date Ended 31/12/16 RM'000
Segment Revenue		
Information Technology	33,007	39,412
Telecommunications	-	-
Lifestyle	2,379	4,189
Others	180	360
	<u>35,566</u>	<u>43,961</u>
Elimination	(180)	(360)
Group revenue	<u>35,386</u>	<u>43,601</u>
Segment Results		
Information Technology	1,806	2,293
Telecommunications	(251)	(466)
Lifestyle	(522)	(898)
Others	(641)	(1,201)
	<u>392</u>	<u>(272)</u>
Elimination	(82)	(165)
Profit / (Loss) from operations	<u>310</u>	<u>(437)</u>

9. Carrying Amount of Revalued Assets

On 4 October 2016, the leasehold land and building of the subsidiary companies were revalued by an independent professional valuer. Fair value is determined by reference to market values or/and forced sale value on an existing use basis. Market Values is the estimate amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller, while Forced Sale Value is the amount that may reasonably be received from the sale of a property under forced sale conditions that do not meet all the criteria of a normal market transactions. The valuation surplus of RM3.943 million arising from the revaluation of the leasehold land and building is credited into the revaluation reserve.

10. Subsequent Events

There were no material events subsequent to the end of the current quarter and financial period ended 31 December 2016.

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 2016 except for:

Acquisition of Edaran Trade Network Sdn Bhd

On 18 November 2016, the Company's wholly owned subsidiary acquired the entire issued and paid-up capital of Edaran Trade Network Sdn Bhd (Edaran Trade) comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

Edaran Trade was incorporated in Malaysia under the Companies Act, 1965 on 25 August 2015 with an authorised share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each. Edaran Trade is presently a dormant company.

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

The above acquisition will not have any material effects on the Group's financial results for the current year to date.

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 2016.

13. Capital Commitments

There were no capital commitments for the current quarter and financial period ended 31 December 2016.

14. Performance Review

The Group's revenue for the current quarter and financial period ended 31 December 2016 increased to RM43.601 million from RM20.069 million in the prior corresponding quarter and financial period ended 31 December 2015. This resulted in the Group recording a lower loss before taxation of RM787 thousand compared to a loss before taxation of RM1.710 million in the corresponding quarter and financial period ended 31 December 2015.

15. Comment on Material Change in Profit Before Taxation

The Group recorded a profit before taxation of RM166 thousand for the current quarter ended 31 December 2016 (2Q17) as compared to RM953 thousand loss before taxation for the quarter ended 30 September 2016 (1Q17). The variance was mainly attributable to higher gross profit of RM4.082 million registered in 2Q17 as compared to RM3.169 million registered in 1Q17.

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 31/12/16 RM'000	Current Year To Date Ended 31/12/16 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>Nil</u>
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>Nil</u>

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 2016.

20. Quoted and Unquoted securities

There was no purchase or sale of quoted shares for the current quarter and financial year to date.

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 31 December 2016 are as follows:

As at
31.12.16
RM'000

(a) Short Term borrowings Secured

Bank Overdraft	-
Trust Receipts	-
Bankers Acceptance	2,566
Term loan repayable within 12 months	238
Hire purchase creditor repayable within 12 months	576
	<hr/>
	3,380
	<hr/>

(b) Long Term borrowings Secured

Term loan repayable after 12 months	3,463
Hire purchase creditor after 12 months	1,055
	<hr/>
	4,518
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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 ending 30 June 2017.

25. Earnings per share

	Current Quarter ended 31/12/16 RM'000	Current Year To Date Ended 31/12/16 RM'000
Basic		
Net loss attributable to equity holders of the Company for the period	389	(411)
Weighted average number of ordinary shares as at 30 June 2016	57,905	57,905
Basic earnings / (loss) per share (sen)	0.67	(0.71)
Diluted		
Net loss attributable to equity holders of the Company for the period	389	(411)
Weighted average number of ordinary shares as at 30 June 2016	57,905	57,905
Basic earnings / (loss) per share (sen)	0.67	(0.71)

26. Realised and unrealised retained earnings / accumulated loss

	As at 31/12/16 RM'000
Total Accumulated Loss (Company and subsidiaries)	
- Realised	(41,554)
- Unrealised	(2,309)
Total group accumulated loss	(43,863)

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 27 February 2017.

BY ORDER OF THE BOARD

DATIN RIZANA MOHD DAUD
Company Secretary