

**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>30/06/2018</u>	<u>30/06/2017</u>	<u>30/06/2018</u>	<u>30/06/2017</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	21,231	31,507	150,285	84,740
COST OF SALES	<u>(12,620)</u>	<u>(28,850)</u>	<u>(124,123)</u>	<u>(71,690)</u>
GROSS PROFIT	8,611	2,657	26,162	13,050
OTHER OPERATING INCOME	371	54	808	336
ADMINISTRATIVE EXPENSES	(3,615)	(3,279)	(13,939)	(11,982)
OTHER OPERATING EXPENSES	<u>(4,298)</u>	<u>(1,120)</u>	<u>(8,603)</u>	<u>(4,282)</u>
PROFIT/(LOSS) FROM OPERATIONS	1,069	(1,688)	4,428	(2,878)
FINANCE COSTS	<u>(937)</u>	<u>(207)</u>	<u>(1,918)</u>	<u>(762)</u>
PROFIT/(LOSS) BEFORE TAXATION	132	(1,895)	2,510	(3,640)
PROFIT FROM DILUTION OF HOLDINGS IN A FORMER SUBSIDIARY	6,008	0	6,008	0
TAXATION	<u>(1,549)</u>	<u>(557)</u>	<u>(1,582)</u>	<u>(557)</u>
PROFIT/(LOSS) AFTER TAXATION	<u>4,591</u>	<u>(2,452)</u>	<u>6,936</u>	<u>(4,197)</u>
EARNINGS/(LOSS) PER SHARE (SEN)	<u>5.66</u>	<u>(2.47)</u>	<u>12.44</u>	<u>(3.98)</u>
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	3,279	(1,430)	7,203	(2,304)
NON-CONTROLLING INTERESTS	<u>1,312</u>	<u>(1,022)</u>	<u>(267)</u>	<u>(1,893)</u>
	<u>4,591</u>	<u>(2,452)</u>	<u>6,936</u>	<u>(4,197)</u>

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017)**

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	<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>30/06/2018</u> RM'000	<u>30/06/2017</u> RM'000
<b>ASSETS</b>		
NON - CURRENT ASSETS		
Property, plant and equipment	26,345	30,056
Investment in Associate	1,039	-
	<u>27,384</u>	<u>30,056</u>
CURRENT ASSETS		
Inventories	-	10,511
Amount due from customers for contract works	21	1,718
Amount due by related company	11,486	-
Trade receivables	6,517	10,842
Other receivables	6,242	3,185
Deposit with licensed banks	29,871	136
Cash and bank balances	2,138	18,081
	<u>56,275</u>	<u>44,473</u>
<b>TOTAL ASSETS</b>	<b><u>83,659</u></b>	<b><u>74,529</u></b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the Company		
Share capital	68,022	68,022
Treasury shares	(1,049)	(1,049)
Revaluation reserve	8,389	8,536
Translation reserve	3	252
Accumulated loss	<u>(44,017)</u>	<u>(45,509)</u>
	31,348	30,252
Non - controlling interests	<u>(1,064)</u>	<u>(4,330)</u>
<b>TOTAL EQUITY</b>	<b><u>30,284</u></b>	<b><u>25,922</u></b>
NON - CURRENT LIABILITIES		
Borrowings	22 (b) 7,097	4,637
Deferred taxation	2,680	2,731
	<u>9,777</u>	<u>7,368</u>
CURRENT LIABILITIES		
Amount due to customers for contract works	7,589	4,654
Trade payables	30,439	26,841
Other payables	2,520	3,122
Provision for taxation	1,602	924
Borrowings	22 (a) 1,448	5,698
	<u>43,598</u>	<u>41,239</u>
Total liabilities	<u>53,375</u>	<u>48,607</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>83,659</u></b>	<b><u>74,529</u></b>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017)

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2018

	← 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 2017	68,022	-	(1,049)	8,536	252	(45,509)	30,252	(4,330)	25,922
Unrealised gain from dilution of holdings in a former subsidiary						(6,008)	(6,008)		(6,008)
Foreign currency translation	-	-	-	-	(249)	150	(99)	(231)	(330)
Profit / (loss) for the period	-	-	-	-	-	7,203	7,203	(267)	6,936
Total comprehensive profit for the period	-	-	-	-	(249)	7,353	7,104	(498)	6,606
Transfer of Minority Interest								3,764	3,764
Realisation of revaluation reserve				(147)		147	-	-	-
<b>At 30 JUNE 2018</b>	<b>68,022</b>	<b>0</b>	<b>(1,049)</b>	<b>8,389</b>	<b>3</b>	<b>(44,017)</b>	<b>37,356</b>	<b>(1,064)</b>	<b>30,284</b>
At 1 July 2016	60,000	8,022	(1,049)	5,785	(349)	(43,451)	28,958	(2,965)	25,993
Foreign currency translation	-	-	-	-	601	-	601	528	1,129
Property Revaluation Surplus	-	-	-	2,997	-	-	2,997	-	2,997
Loss for the period	-	-	-	-	-	(2,304)	(2,304)	(1,893)	(4,197)
Total comprehensive loss for the period	-	-	-	2,997	601	(2,304)	1,294	(1,365)	(71)
Realisation of revaluation reserve				(246)		246	-	-	-
Transition to no-par value regime	8,022	(8,022)							
<b>At 30 JUNE 2017</b>	<b>68,022</b>	<b>-</b>	<b>(1,049)</b>	<b>8,536</b>	<b>252</b>	<b>(45,509)</b>	<b>30,252</b>	<b>(4,330)</b>	<b>25,922</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 2017)

**EDARAN BERHAD**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR QUARTER ENDED 30 JUNE 2018**

	Current Year to date 30/06/18 RM' 000	Corresponding Year to date 30/06/17 RM' 000
Net cash (used in)/generated from operating activities	17,808	19,605
Net cash (used in)/generated from investing activities	(604)	(162)
Net cash generated from/(used in) financing activities	<u>(3,035)</u>	<u>(1,273)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	14,169	18,170
Effect of Exchange rate changes	(480)	46
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	18,108	(108)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>31,797</u></u>	<u><u>18,108</u></u>
Cash and cash equivalents comprise the following:		
Bank overdrafts	-	-
Deposits with licensed banks	29,871	135
Cash and bank balances	<u>2,138</u>	<u>18,081</u>
	32,009	18,216
Less: Deposits pledged as security with licensed banks	<u>(212)</u>	<u>(108)</u>
	<u><u>31,797</u></u>	<u><u>18,108</u></u>

**(The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017)**

# **EDARAN BERHAD**

## **NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2018**

### **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 2017. 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 2017.

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 2017.

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

The auditors’ report on the financial statements for the year ended 30 June 2017 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 2018

## 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 2018.

## 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 2018 other than as mentioned below:-

As at 30 June 2018, 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 30 June 2018.

## 8. Segmental Information

	Current Quarter Ended 30/06/18 RM'000	Current Year To Date Ended 30/06/18 RM'000
Segment Revenue		
Information Technology	22,689	151,743
Lifestyle & Telecommunication	-	-
Others	1,685	4,259
	<u>24,374</u>	<u>156,002</u>
Elimination	(3,143)	(5,717)
Group revenue	<u>21,231</u>	<u>150,285</u>
Segment Results		
Information Technology	(564)	6,996
Lifestyle & Telecommunication	2,458	(1,340)
Others	513	363
	<u>2,407</u>	<u>6,019</u>
Elimination	(1,338)	(1,591)
Profit from operations	<u>1,069</u>	<u>4,428</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 2017.

## **10. Subsequent Events**

There were no material events subsequent to the end of the current quarter and financial period ended 30 June 2018.

## **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 2018 except for:-

### **Dilution of Equity Interest in Subsidiary**

PT Linewin, a 51% indirect subsidiary of Edaran, has increased its issued and paid-up capital from USD612,245.00 or 612,245 shares to USD637,245.00 or 637,245 shares by way of allotment and issuance of 25,000 new shares of USD1.00 each to Encik Shiraz bin Shahidan who is an existing shareholder of PT Linewin.

The new shares issued and paid was to meet part of the working capital requirement of PT Linewin.

As a result, the equity interest of Edaran in PT Linewin is diluted from 51% to 49% and consequently, PT Linewin cease to be a subsidiary of Edaran.

The above transaction resulted in the write back of RM6.008mil in the group reserve account. However, there is no effect on the cash flows of the Group 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 2017.

### **13. Capital Commitments**

There were no capital commitments for the current quarter and financial period ended 30 June 2018.

### **14. Performance Review**

The Group's revenue for the current quarter and financial period ended 30 June 2018 increased to RM150.285 million from RM84.740 million in the prior corresponding quarter and financial period ended 30 June 2017. The increase in revenue was mainly due to new projects secured and the completion of certain projects during the period. This resulted in the Group recording a profit before taxation of RM2.510 million compared to a loss before taxation of RM3.640 million for the corresponding quarter and financial period ended 30 June 2017.

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

The Group recorded a profit before taxation of RM132 thousand for the current quarter ended 30 June 2018 (4Q18) as compared to RM1.862 million profit before taxation for the quarter ended 31 March 2018 (3Q18). The variance was mainly attributable to higher operating expenses of RM7.816 million incurred in 4Q18 as compared to RM4.685 million incurred in 3Q18.

### **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 30/06/18 RM'000	Current Year To Date Ended 30/06/18 RM'000
Provision for Current year tax	1,598	1,600
Reversal of prior year tax		
Under/(over) provision in prior years	Nil	31
	<u>1,598</u>	<u>1,631</u>
Deferred tax:		
Provision for deferred tax	Nil	Nil
Tax income from crystallisation	(49)	(49)
	<u>1,549</u>	<u>1,582</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 2018.

## 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 30 June 2018 are as follows:

	As at 30.06.18 RM'000
<b>(a) <u>Short Term borrowings</u></b>	
<b><u>Secured</u></b>	
Bank Overdraft	-
Bankers Acceptance	-
Term loan repayable within 12 months	310
Hire purchase creditor repayable within 12 months	1,138
	<hr/> <u>1,448</u>
<b>(b) <u>Long Term borrowings</u></b>	
<b><u>Secured</u></b>	
Term loan repayable after 12 months	5,368
Hire purchase creditor after 12 months	1,729
	<hr/> <u>7,097</u>

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 2018.

## 25. Earnings per share

	Current Quarter ended 30/06/18 RM'000	Current Year To Date Ended 30/06/18 RM'000
<b>Basic</b>		
Net profit attributable to equity holders of the Company for the period	3,279	7,203
Weighted average number of ordinary shares outstanding as at 30 June 2018	57,905	57,905
Basic earnings per share (sen)	5.66	12.44
<b>Diluted</b>		
Net profit attributable to equity holders of the Company for the period	3,279	7,203
Weighted average number of ordinary shares outstanding as at 30 June 2018	57,905	57,905
Basic earnings per share (sen)	5.66	12.44

## 26. Realised and unrealised retained earnings / accumulated loss

	As at 30/06/18 RM'000	As at 30/06/17 RM'000
<b>Total Accumulated Loss (Company and subsidiaries)</b>		
- Realised	(41,708)	(43,200)
- Unrealised	(2,309)	(2,309)
Total group accumulated loss	<b>(44,017)</b>	<b>(45,509)</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 28 August 2018.

**BY ORDER OF THE BOARD**

**ASBANIZAM ABU BAKAR**  
Company Secretary