



A SEASON OF CHANGE.... A SEASON OF GROWTH

As the caterpillar changes to a pupa and the pupa to a butterfly, change is a necessary stimulus for growth. EDARAN comes of age to take that next step in growth. Like the metamorphosis of the caterpillar to a butterfly, EDARAN braces itself to become a bigger entity with a broader vision of success.

A revitalised corporate identity



EDARAN adopts a revitalised corporate identity as it enters a new stage of growth.

The company name, EDARAN DIGITAL SYSTEMS BERHAD has been changed to EDARAN BERHAD, broadening the boundaries for a larger scope of business activities

The new Identity dispenses with the iconic 'shooting star'. The logotype is underscored by a brushstroke rendered in red, reflecting verve, energy and vitality. Bolder, clearer and more vibrant, the Identity speaks of the Company's fresh confidence and renewed vigour.

The original logotype is retained to reflect the continuity of the company and a more vibrant blue is adopted to signify an optimistic outlook.

The change in name and logo prepares the platform for the EDARAN GROUP to move beyond its traditional business activity which is information technology. EDARAN will leverage its substantial experience, knowledge and expertise in I.T to enter new business areas which fall within the parameters of the company's corporate values and brand philosophy.

"We are positive and confident about the prospects of the Group and as we move into new business activities, we will place greater emphasis on *high ethics, respect* and *moral responsibility*. These values, together with the company's guiding principles of 'Syukur' (Gratitude), 'Amanah' (Honour), 'Ikhlas' (Integrity) and 'Disiplin' (Discipline) will define our revitalised brand." said Tan Sri Tajudin Ramli, Chairman of the Group.







More than just becoming a company of success, we want to be a company of value.

Tajudin Ram

CONTENTS



	2	Notice of Annual General Meeting
	5	Statement Accompanying Notice of Annual General Meeting
	6	Corporate Information
	8	Corporate Structure
	9	Profile of the Board of Directors
	15	The Management Committee
	17	Message from the Chairman
	23	Review of Operations
	27	Financial Highlights
	31	Statement on Corporate Governance
	35	Audit Committee Report
	39	Statement on Internal Control
	41	Additional Compliance Statement
	45	Statement on Directors' Responsibility in Relation to the Financial Statements
	47	 Financial Statements Directors' Report Statement by Directors Statutory Declaration Auditors' Report Consolidated Balance Sheet Balance Sheet Consolidated Statement of Changes in Equity Statement of Changes in Equity Consolidated Income Statement Income Statement Consolidated Cash Flow Statement Cash Flow Statement Notes to The Financial Statements
	91	Statistics on Shareholdings
2	95	Group Properties
1	99	Proxy Form



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of Edaran Berhad (Formerly known as Edaran Digital Systems Berhad) will be held on Thursday, 27 November 2008 at Mahkota 3, Ballroom Level, Hotel Istana, 73 Jalan Raja Chulan, 50200 Kuala Lumpur at 10.00 a.m. to transact the following businesses:

A. ORDINARY BUSINESS

To consider and receive the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2008 together with the Directors' and Auditors' Reports thereon.
 To declare a first and final dividend of 0.78% less 25% tax in respect of the financial year ended 30 June 2008.

3. To re-elect the following Directors retiring under Article 101 of the Company's Articles of Association, and who, being eligible, offer themselves for re-election:

i . Tan Sri Dato' Tajudin Ramli Resolution 3

ii. Dato' Hj Abdul Hamid Mustapha Resolution 4

4. To re-elecet Dato' Lim Kheng Yew, a Director retiring under Article 102 of the Company's Articles of Association and who, being eligible, offers himself for re-election.

To approve the payment of the Directors' fee for the financial year ended 30 June 2008. Resolution 6

6. To re-appoint Messrs. Parker Randall Mea as Auditors of the Company and to authorise the Directors to fix their remuneration.

B. SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following Ordinary Resolution, with or without modifications: Resolution 8

"THAT pursuant to Section 132D of the Companies Act, 1965 full authority be and is hereby given to the Directors to issue shares in the capital of the Company from time to time at such price upon such terms and conditions for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being, subject to the Companies Act, 1965, the Articles of Association of the Company and approval from Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary AND THAT such authority shall continue in full force until the conclusion of the next annual general meeting of the Company."

C. ANY OTHER ORDINARY BUSINESS

8. To transact any other ordinary business of which due notice has been given in accordance with the relevant authorities.

By Order of the Board

Datin Rizana Mohamad Daud

(LS 08993) Company Secretary

Asbanizam Abu Bakar

(LS 06958) Assistant Company Secretary

Kuala Lumpur 04 November 2008

EXPLANATORY NOTE on ITEM 7 of the AGENDA

- Resolution pursuant to Section 132D of the Companies Act, 1965

Ordinary Resolution 8 (under item 7 above), if passed, will give the Directors of the Company, from the date of this General Meeting, an authority to issue and allot ordinary shares from the unissued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless earlier revoked or varied by the Company in a general meeting, expire at the next annual general meeting.

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint any person or persons, whether a member or not, as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints two (2) or more proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.
- 2. A proxy need not be a member of the Company. A member may appoint any person to be his/her proxy without limitation.
- 3. A corporation or a corporation sole or a statutory corporation may appoint any person as its representative.
- 4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing and if such appointer is a corporation, corporation sole or a statutory corporation; either under its common seal or the hand of its officers or attorney duly authorised and shall be deposited together with the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof and shall be deposited at the Registered Office, 33-1 Jalan 2/76C, Desa Pandan 55100 Kuala Lumpur not less than forty eight (48) hours before the time for holding this General Meeting or any adjournment thereof.
- 5. The signature to the instrument appointing the proxy executed outside Malaysia must be attested by a Solicitor, Notary Public, Consul or a Magistrate.

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the Shareholders at the Company's Sixteenth Annual General Meeting, a first and final dividend of 0.78% less 25% tax for the year ended 30 June 2008 will be paid on 26 December 2008 to Shareholders whose name appear on the Record of Depositors at the close of Business on 28 November 2008.

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor's Account before 4.00 p.m. on 28 November 2008 in respect of shares which are exempted from mandatory deposit; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The following are details of the Board meetings held during the financial year ended 30 June 2008 and the attendance of the Directors thereat:-

Details of Board meetings held during the financial year

Date	Time	Venue			
29 Aug 2007	9.30 a.m.	Board Room,			
21 Nov 2007	2.30 p.m.	No. 4 & 6 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur			
22 Nov 2007	12.00 p.m	Melati Room, Mezzanine Floor Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur			
28 Feb 2008	10.00 a.m.	Board Room,			
21 May 2008	2.30 p.m.	No. 4 & 6 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur.			

2. Directors' attendance at Board meetings

Details of Directors' attendance at the above Board meetings during their tenure in office:-

Directors	Appointment	Attendance
Tan Sri Dato' Tajudin Ramli	01 Jun 1992	5 out of 5
Datuk Emam Mohd Haniff Emam Mohd Hussain	30 Oct 2001	5 out of 5
Dato' Abdul Halim Abdullah	15 Dec 2000	5 out of 5
Dato' Abdul Malek Ahmad Shazili	06 Nov 2003	5 out of 5
Dato' Hj Abdul Hamid Mustapha	06 Nov 2003	5 out of 5
Dato' Lim Kheng Yew *	12 Dec 2007	0 out of 2
Dato' Idrus Zainol **	01 Jun 1992	3 out of 3
Shaifubahrim Mohd Saleh **	15 Dec 2000	3 out of 3
Dato' Bistamam Ramli	15 Dec 2000	5 out of 5
Datuk Mohd Shu'aib Ishak	15 Dec 2000	5 out of 5
Fazlan Azri Tajudin	23 May 2006	5 out of 5

3. Details of Directors who are standing for re-election

The Directors who are standing for re-election at the forthcoming Sixteenth Annual General Meeting of Edaran Berhad are as follows:-

TAN SRI DATO' TAJUDIN RAMLI

Chairman, Non-Independent Non-Executive Director

DATO' HJ ABDUL HAMID MUSTAPHA

Independent Non-Executive Director

DATO' LIM KHENG YEW

Independent Non-Executive Director

The profiles of the Directors who are standing for re-election are set out on pages 9 to 14 of the Annual Report.

^{*} Dato' Lim Kheng Yew was appointed to the Board on 12 December 2007 ** Dato' Idrus Zainol and Shaifubahrim Mohd Saleh resigned from the Board on 12 December 2007.





BOARD OF DIRECTORS

Tan Sri Dato' Tajudin Ramli Chairman Non-Independent Non-Executive Director

Datuk Emam Mohd Haniff Emam Mohd Hussain Senior Independent Non-Executive Director

Dato' Abdul Halim Abdullah Independent Non-Executive Director

Dato' Abdul Malek Ahmad Shazili Independent Non-Executive Director

Dato' Hj Abdul Hamid Mustapha Independent Non-Executive Director

Dato' Lim Kheng Yew Independent Non-Executive Director

Dato' Bistamam Ramli Managing Director

Datuk Mohd Shu'aib Ishak Executive Director

Fazlan Azri Tajudin Executive Director

AUDIT COMMITTEE

Dato' Abdul Halim Abdullah Chairman Independent Non-Executive Director

Datuk Emam Mohd Haniff Emam Mohd Hussain Senior Independent Non-Executive Director

Dato' Lim Kheng Yew Independent Non-Executive Director

Dato' Bistamam Ramli Managing Director

Company Secretary

Datin Rizana Mohamad Daud (LS 08993)

Assistant Company Secretary

Asbanizam Abu Bakar (LS 06958)

Registered Office: No. 33-1, Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur

Tel: 03-9206 7381 Fax: 03-9283 0192

Business Office : No. 32, Jalan 1/76C, Desa Pandan, 55100 Kuala Lumpur

Tel: 03-9206 7200 Fax: 03-9284 3531

Auditors: Parker Randall Mea (AF: 1867)

305 Block E, Phileo Damansara I, 9 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

Tel: 03-7665 1872 Fax: 03-7665 1739

Share Registrar : Symphony Share Registrars Sdn Bhd (378993-D)

Level 26, Menara Multi Purpose, Capital Square, No. 8, Jalan Munsyi Abdullah, 50100 Kuala Lumpur

Tel: 03-2721 2222 Fax: 03-2721 2530

Principal Bankers: Malayan Banking Berhad

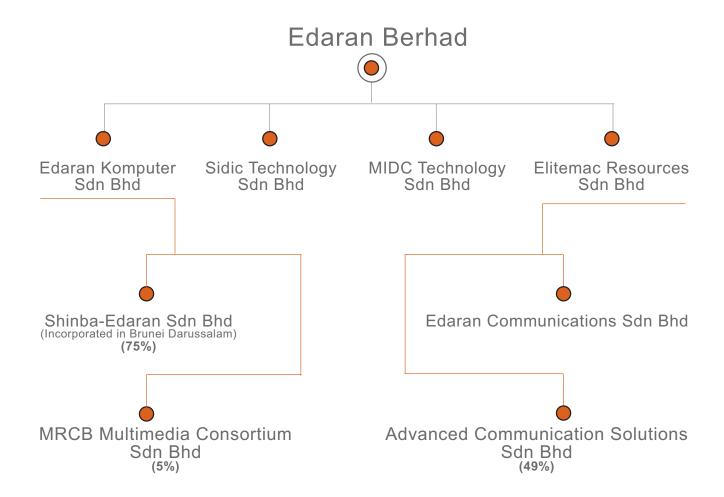
CIMB Bank Berhad

Bank Muamalat Malaysia Berhad

Listing : Main Board

Bursa Malaysia Securities Berhad

CORPORATE STRUCTURE OF EDARAN GROUP



Note: Unless stated, shareholding is 100%







TAN SRI DATO' TAJUDIN RAMLI Chairman Non-Independent Non-Executive Director

Tan Sri Dato' Tajudin Ramli, a Malaysian, was appointed a Director of EDARAN on 1 June 1992 and was subsequently appointed Non-Executive Chairman of the Company on 15 December 2000. On 3 October 2001, he was appointed a member of the Remuneration Committee. Aged 62, he graduated from the University of Malaya with a Bachelor of Economics degree and has been involved in various industries, the more significant of which are telecommunications, transportation and tourism.



DATUK EMAM MOHD HANIFF EMAM MOHD HUSSAINSenior Independent Non-Executive Director

Datuk Emam Mohd Haniff Emam Mohd Hussain, a Malaysian, aged 66 was appointed Director of EDARAN on 30 October 2001. He was subsequently appointed Senior Independent Non-Executive Director and a member of the Audit Committee on 22 August 2002. Datuk Emam obtained his Bachelor of Arts (Hons) degree from the University of Malaya in 1966. He was assigned to the Ministry of Foreign Affairs and had served in various capacities both in the Ministry and in Malaysian diplomatic missions overseas. In the later years of his service, Datuk Emam was appointed the Malaysian Ambassador to Pakistan (1983-1986), Ambassador to Philippines (1987-1991) and the High Commissioner to Singapore (1992-1997). He retired from government service in 1997 after attaining the age of 55. Datuk Emam also sits on the boards of Kamdar Group (M) Berhad, Lion Corporation Berhad and LCL Corporation Berhad.





DATO' ABDUL HALIM ABDULLAH

Independent Non-Executive Director

Dato' Abdul Halim Abdullah, a Malaysian, was appointed to the Board of EDARAN on 15 December 2000. He was appointed Chairman of the Audit and Nominating Committees on 3 October 2001 and was subsequently appointed Chairman of the Remuneration Committee on 27 May 2004. Aged 62, Dato' Abdul Halim holds a Bachelor of Arts (Hons) degree from the University of Malaya. He has served in various government departments and his last position was the State Secretary of Penang (1992-1994). In 1994, after his retirement from government service, Dato' Abdul Halim was appointed Executive Director of Technology Resources Properties Sdn Bhd until 8 June 2000.



DATO' ABDUL MALEK AHMAD SHAZILI

Independent Non-Executive Director

Dato' Abdul Malek Ahmad Shazili, a Malaysian, aged 61, was appointed a Director of EDARAN on 6 November 2003 and was subsequently appointed Chairman of the Risk Management Committee on 27 May 2004. He holds a Bachelor of Arts (Hons) degree from the University of Malaya and a Master's Degree in Public Administration from The American University, Washington D.C. Dato' Abdul Malek has served Pos Malaysia Berhad in various capacities since 1972 until his retirement as the Chief Executive Officer in 2002.





DATO' HJ ABDUL HAMID MUSTAPHA

Independent Non-Executive Director

Dato' Hj Abdul Hamid Mustapha, a Malaysian, aged 62, was appointed to the Board of EDARAN on 6 November 2003 and was subsequently appointed a member of the Remuneration Committee and Nominating Committee on 27 May 2004 and 28 February 2008 respectively. He graduated with a Bachelor of Arts degree from the University of Malaya in 1971. Dato' Hj Abdul Hamid has served the Royal Malaysian Police Force in various capacities since 1971 until his retirement as the Commissioner of Police, Director of Public Order and Internal Security in 2002.



DATO' LIM KHENG YEW
Independent Non-Executive Director

Dato' Lim Kheng Yew, aged 57, a Fellow of the Institute of Chartered Accountants in England and Wales, was appointed to the Board of EDARAN on 12 December 2007 and appointed a member of the Audit Committee on the same date. He was subsequently appointed a member of Nominating Committee and Remuneration Committee on 28 February 2008. He started his career with international accounting firms in London and Kuala Lumpur. He was attached to a leading merchant bank in Kuala Lumpur. At present, he is also a Director of KYM Holdings Berhad and TSM Global Berhad.





DATO' BISTAMAM RAMLI

Managing Director

Dato' Bistamam Ramli, a Malaysian, was appointed a Director of EDARAN on 15 December 2000. He was subsequently appointed a member of the Audit Committee on 15 August 2001. On 1 June 2004, he was appointed the Managing Director of EDARAN and Chief Executive Officer of Edaran Komputer Sdn Bhd. Dato' Bistamam also sits on the Board of Remuneration and Risk Management Committees. Aged 46, he is a Fellow Member of the Chartered Association of Certified Accountants. Dato' Bistamam was previously attached to Celcom (Malaysia) Berhad, Technology Resources Industries Berhad, Bank Negara Malaysia and Ernst & Young.



DATUK MOHD SHU'AIB ISHAK

Executive Director

Datuk Mohd Shu'aib Ishak, aged 49, was appointed the Executive Director of EDARAN on 15 December 2000. Datuk Mohd Shu'aib, a Malaysian, obtained his degree in Electrical Engineering from the University of Technology Malaysia. He has more than 20 years of experience in the telecommunications industry since his employment with Jabatan Telekom Malaysia in 1982. He was attached to Electroscon (M) Sdn Bhd and KYM Industries Sdn Bhd before being appointed the General Manager and Director of Edaran Communications Sdn Bhd on 24 January 1991.





FAZLAN AZRI TAJUDIN

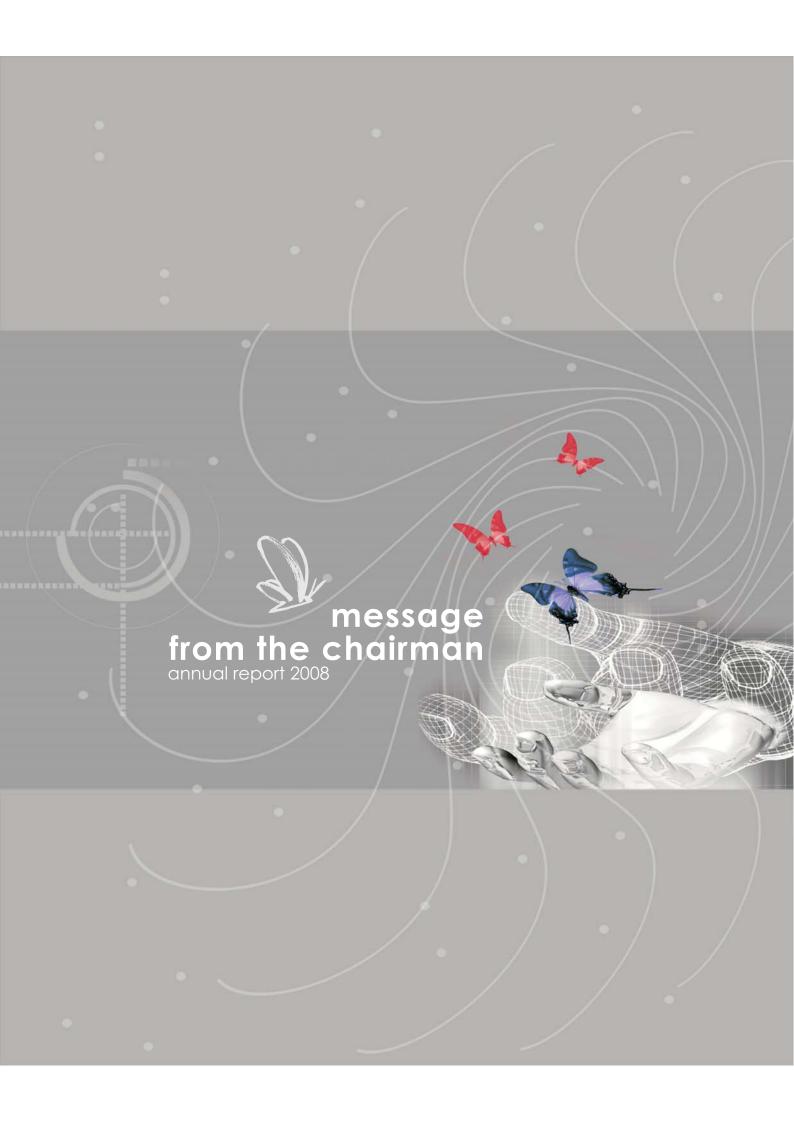
Executive Director

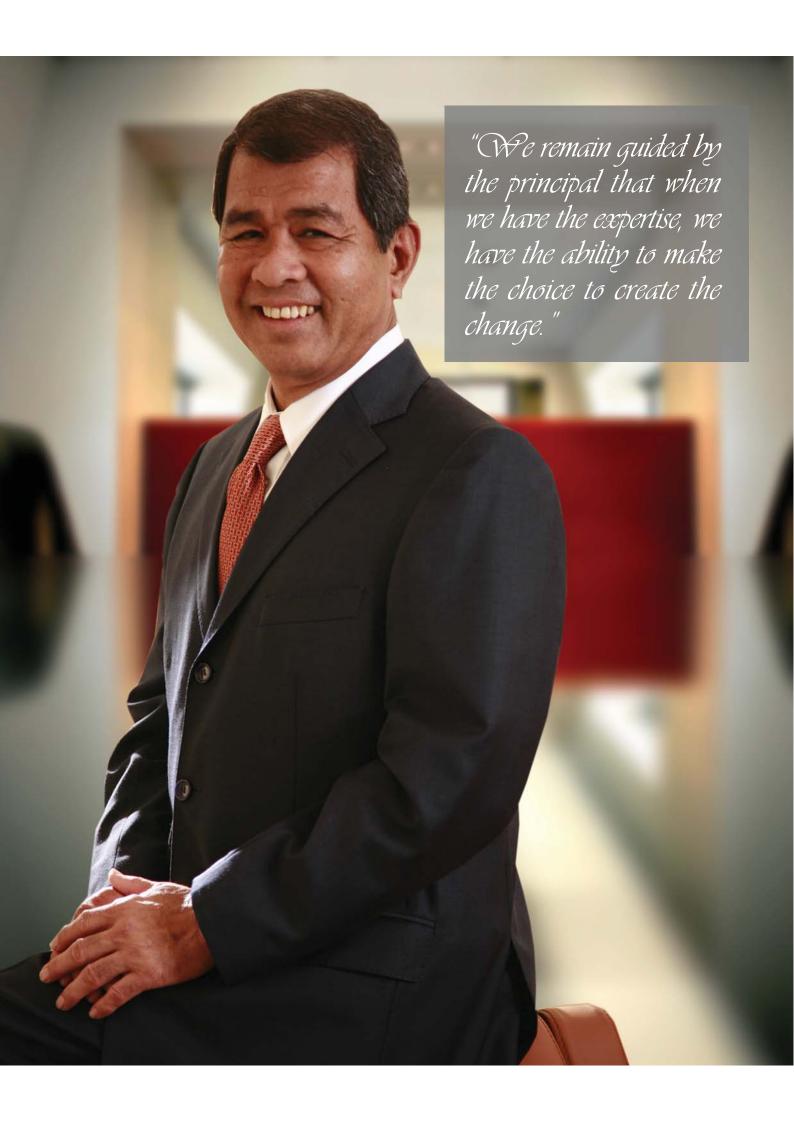
Fazlan Azri Tajudin, aged 33, was appointed to the Board of EDARAN on 23 May 2006. He was subsequently appointed the Executive Director of the Company on 28 February 2008. He holds an Engineering degree from Imperial College of Science, Technology and Medicine, London. He sits on several private companies, including Kauthar Sdn Bhd and was previously attached to Celcom (Malaysia) Berhad. He is the son of Tan Sri Dato' Tajudin Ramli.













Shareholders, Partners and Stakeholders,

It is an honour and my privilege to present to you the Annual Report of EDARAN Berhad.

I am delighted to share that it has been a year of continued progress for the Group. For the year ended 30 June 2008, the Group recorded a total revenue of RM 59.4 million. Profit attributable to shareholders rose by 92% to RM1.970 million compared to RM1.005 million in 2007. Earnings per share rose from 1.68 sen in the previous financial year to 3.21 sen for the year ended 30 June 2008.

Much of the increase in profit was due in part to new contracts secured and higher margins they deliver. The Group's efforts in new and niche sectors such as the education and health sectors are also seeing positive returns.

Significant progress has also been recorded in our Brunei initiative. Shinba-Edaran's maiden project in lifestyle development made some headway over the year in review and further development on our activities in the project is looking positive.

While we remain optimistic about opportunities in I.T specific activities, we have been keeping an eye on a broader spectrum of activities and hence opportunities that are related to the Group's competencies and skills.

MESSAGE FROM THE CHAIRMAN

CATALYSED BY CHANGE

At our last Extraordinary General Meeting held in November 2007, we unveiled the Group's vision to become a bigger entity. Our vision was symbolised by a revitalised corporate identity and a change of the Company's name from Edaran Digital Systems Berhad to EDARAN Berhad. Indeed, we did not make that change for the sake of change alone. We recognise the signs of impending change in industries, society and the world, changes that happen sooner than we imagine. We realise that unless we, as an organisation moved ahead quickly, we may be left behind.

Indeed, unprecedented changes are enveloping the world and affecting all of humankind today. Society is being reshaped, new industries are being created and existing ones are being transformed by fundamental changes in technology. We are witnessing basic innovations that involve not just one single technology but a collection of new inventions, practises, models and protocols. These innovations are impacting upon the way people and organisations think. Whole paradigms are shifting. These dynamics are catalysts for growth and we will brace ourselves to seize opportunities that arise. We will therefore prepare ourselves to anticipate these shifts . By doing so, I believe we will circumvent hurdles and reach new goals.

TRANSFORMING FOR GROWTH

The Group's broadened vision to become a larger entity and to expand its scope of business activities has since been followed by initiatives to equip and prepare the Management and the Staff to make that forward leap. The EDARAN Transformation Programme formally commenced in February 2008 with organised workshops. The programme which will be continual, aims to take the Group to a new level of professionalism and confidence. The programme focuses on critical areas which include re-shaping the mindset of the individuals, stoking the fire of achievement, re-engineering the work dynamics and instilling an effective work culture in the Group.

CONTINUAL LEARNING - OUR BASIS

Continual learning and upgrading of skills and competencies are fundamental to our growth and development. We remain guided by the principal that when we have the expertise, we have the ability to make the choice to create the change with the view to better ourselves, the company and the communities we serve.

EDARAN has constantly been pursuing the path of knowledge since the company began. This year, we added yet another milestone to our programme in this aspect of our endeavours.

Microsoft Gold Partner Certification

In early 2008, Edaran Komputer became a Microsoft Gold Certified Partner, adding to the company's growing credentials as an I.T. solutions and services provider, an important professional asset. The certification places Edaran Komputer in the ranks of companies with the highest level of competence and expertise with Microsoft technologies. Edaran Komputer has now access to Microsoft's abundant resources and support, giving the Company an edge in the market.

MSC Malaysia Status

Edaran Komputer was also granted the MSC Malaysia Status by the Multimedia Development Corporation of Malaysia, placing the company among the select group of domestic and international companies who have also been granted the status. Becoming an MSC Malaysia status company raises the Company's credibility in the industry and puts us in good stead to compete in the market. Edaran Komputer will have access to several benefits and facilities available to this select group of MSC Status companies, strengthening the resources of the Company.

Capability Maturity Model Integration (CMMI) EDARAN received another boost when the Group was successfully appraised in the CMMI (Capability Maturity Model Integration) programme sanctioned by the

MESSAGE FROM THE CHAIRMAN

Software Engineering Institute of the Carnegie Mellon University. CMMI is a process improvement approach that provides organisations with the essential elements of effective processes. EDARAN was successfully appraised for CMMI Level 3 in August 2008.

With these professional certifications and recognitions, EDARAN moves further up the competency and organisational efficiency curve. We will continue to pursue new knowledge and proficiencies to upgrade ourselves and become a truly knowledge-based and knowledge-driven entity.

20 YEARS OF LT COMPETENCY

It is most appropriate that the EDARAN Group celebrates its 20th Anniversary this year. 2008 is an auspicious year for the Company. More than merely marking 20 years of development and growth, we intend to make this milestone a point from which we will take the next progressive leap into the future.

"....the Company started off with a small capital and limited resources. Kotwithstanding, our hopes were big and our ambitions even bigger....

We continue to be undeterred.."

EDARAN entered the I.T scene at a time when the country's fresh graduates were hard pressed to find suitable employment. The Company started off with a small capital and limited resources. Notwithstanding, our hopes were big and our ambitions even bigger. We continue to be undeterred and to believe that reaching our higher goals is really only a matter of setting our minds and hearts to attaining them.

The past 20 years have established us as a committed organisation in the I.T industry. From this platform,

we can leap to a higher level of involvement in business, not necessarily confined to the area of I.T. Nevertheless, we see I.T as a critical enabler in all industries. With our I.T expertise and experience we have an edge to leverage ourselves and penetrate various areas of activities and industries.

Corporate Social Responsibility

The area of Corporate Social Responsibility (CSR) is not new to EDARAN. It is, in fact, integral to the Company's vision of being a valuable corporate citizen to society. CSR from the perspective of EDARAN runs deep in the veins of the Company whose corporate mission at that point included helping unemployed graduates by giving them the opportunity to apply their knowledge and to build successful careers. CSR to EDARAN goes beyond giving back to society in the form of absolute monetary aid. Rather, EDARAN exercises its corporate responsibility from the root level and perspective of promoting good human values and building ethical individuals. Discharging our corporate responsibility from a platform of values

assures us that the benefits to society will be far reaching and impactful.

EDARAN chose the development of sports as one of its avenues to discharge its corporate responsibility. EDARAN chose sports because we recognise it as the one and only activity that can keep the individual healthy in body, mind and spirit. EDARAN selected the sport of endurance riding primarily because this is one sport that involves not only the individual and his skills but also his sports partner (the endurance horse) and the environment. The sports of endurance riding establishes an all encompassing relationship between humankind and creation. Since 2003 when it was initiated, EDARAN has continued to develop the sport, training endurance sportsmen and women for the national and international endurance arena. Outside of the riding tracks, the sport has enabled us to impart knowledge related to the sport. Every endurance ride we organise provides the learning



and training grounds for participants of the sport including the ferriers, the stewards, the stable grooms, the technical supports and the veterinarians.

Outlook

We have begun to look beyond the Group's traditional scope of business. Our established platform in the area of I.T. serves as our springboard to new industries. Our venture into the area of smart lifestyle and community development in Brunei Darussalam has proven that we can successfully leverage our capabilities and resources in I.T. to expand our business involvement. The professional competencies and skills we have acquired place us in good stead for opportunities that require a high degree of I.T. involvement.

EDARAN will continue to keep a keen eye on promising sectors including the health and education sectors. We aim to heighten the Group's level of success through a stronger focus on the development of integrated solutions, a more acute perception of market needs and a more streamlined organisational structure tuned to serving the customer. We continue our efforts to develop strategic partnerships to increase our resources and broaden our market penetration.

Appreciation

EDARAN has delivered a good year and the Company owes its appreciation to all the individuals who continue to share our vision of growth.

To our valued customers, I wish to say thank you for your confidence in us. Your trust in EDARAN has helped to propel us further and given us the reason to want to do better.

On behalf of the Board of Directors, the Management and Staff, I wish to record my heartfelt gratitude to our partners, financiers and individuals whose expertise and resources have contributed to the successes we have had over the year.

Last but not least, to each and every member of the staff, the Company owes you its gratitude for your loyalty, dedication and efforts. Without your perseverance and belief in the Company, we have no reason to strive harder.

(a) a

TAJUDIN RAMLI





ABOUT THE GROUP

EDARAN has been in the forefront of the ICT industry in Malaysia for the past 20 years and is well entrenched as one of the country's leading and committed provider of I.T solutions and services

In November 2007, EDARAN made a conscious and bold decision to reinvent the Group and redefine its business goals. Driven by a stronger desire for sustainable growth, the Company changed its name from Edaran Digital Systems Berhad to EDARAN Berhad. Along with a change in name, the Company's corporate identity was revitalised to reflect the Group's fresh confidence and a renewed vigour for success.

EDARAN will broaden its span and latitude to involve new business areas while maintaining I.T as its traditional and primary business activity. The Group recognises that its established core competencies as an I.T solutions and services provider is a key strength for the Group to venture into new business areas, particularly business activities which involve a high degree of I.T.

The Group will continue to develop and pursue its business activities from the platform of knowledge and the application of knowledge. For its growth plans, the Group has identified new business sectors that will constitute its potential mix of business activities. These will include activities in lifestyle and socio-economic infrastructure development, agro-based activities and logistics operations.

Following the example set by Shinba-Edaran Sdn Bhd, the Group's joint venture company in Brunei Darusallam, which has made headway in the lifestyle sector, EDARAN will leverage upon its competencies and resources in I.T to move into new growth areas when opportunities avail themselves.

While EDARAN braces itself to embrace a broader scope of business activities, its vision of growth and success will continue to be underpinned by values of ethics, moral responsibility and respect. As an active entity of the business community with a deep sense of duty and responsibility towards all its stakeholders and the communities it serves, EDARAN holds onto its guiding principles of 'Syukur' (Gratitude), 'Amanah' (Honour), 'Ikhlas' (Integrity) and 'Disiplin' (Discipline).

EDARAN KOMPUTER SDN BHD

Edaran Komputer (EKOM) has been placing greater emphasis and focus on the provision of effective solutions and high grade services to further improve its competitiveness as an I.T provider. In the services seament. customers are demanding higher standards of services backed by proven processes and delivered by highly skilled I.T experts. This market reality has been the principal motivating factor for EKOM's concerted pursuit of knowledge, technical skills, new technology, higher service standards, internationally accepted processes and knowledgeable employees. The Company's efforts have paid off with the achievement of internationally recognised certifications that put EKOM in a more competitive position and places it in good stead for growth.

CMMI Level 3

EKOM embarked on the pursuit of the CMMI, the much acclaimed and prestigious appraisal for I.T organisations, sanctioned by the Software Engineering Institute (SEI)

of the Carnegie Mellon University, Pittsburg, Pennsylvania, U.S.A, The primary objective was to improve EKOM's software engineering and delivery processes so as to raise the overall level of the company's proficiency and the quality of its products and services. In August 2008, EKOM was successfully appraised for CMMI Level 3.

CMMI is a process improvement approach that provides organisations with the essential elements of effective processes. In essence, it provides organisations with the latest best practices and framework to improve all areas that impact product development, services and maintenance.

As an I.T. solutions and services provider, EKOM recognises the critical need for a high level of integrity in its products and services. It is therefore imperative that the processes at every stage of the Company's activities are fully effective because, ultimately, the quality of products and services is dependent on the quality of the processes used to acquire, develop and maintain them.

With EKOM being successfully appraised on CMMI Level 3, the Company will integrate the disciplines of the CMMI approach into its own processes and systems to enable EKOM to become more competent and professionally qualified as an I.T. partner to organisations. This will enable projects to be implemented in a timely manner and within budget. Projects undertaken following the CMMI disciplines are subjected to rigorous testing and risk management processes.



MSC Status

Another recent and notable achievement of EKOM is the attainment of the MSC status, a recognition granted by the Malaysian Multimedia Development Corporation (MDeC). The MSC status is granted principally on recognition of the presence of a high percentage of knowledge individuals within a company. EKOM's percentage of knowledge individuals far exceeds the minimum requirement of 15% stipulated by MDeC. The MSC status places EKOM on the ranks of a select group of local and international companies who have also been granted the status. More significantly, EKOM is now in a more competitive and credible position to participate on a higher level and broader scope of I.T activities in the domestic and international market. The MSC status will enable EKOM to further tap into the various incentives provided by MDeC in the promotion of ICT as well as to leverage on the various activities that MDeC provides internationally.

Microsoft Gold Certified Partner

EKOM has also been recognised as a Microsoft Gold Certified Partner. This esteemed recognition is a reflection of EKOM's technical expertise and project experience on the Microsoft platform and adds an important professional asset to the Company's growing credentials as an I.T solutions and services provider. The award was yet another result of the investment and efforts put into the development of the individuals in the Company.

With customer focus as a top priority, EKOM has embarked on a nationwide road show with the objective of sharing technical updates and to meet with the Company's key customers throughout the country. EKOM has been able to secure repeat business from its present

customers such as Kastam Diraja Malaysia (KDRM) and the Ministry of Health (MOH), particularly in the area of maintenance services. EKOM has begun to make inroads into the defense sector where the need for safe and secure products and services is becoming more and more critical. EKOM is also undertaking a nationwide personal computer leasing service for customers such as UiTM.

Moving forward, EKOM will heighten focus on customer satisfaction and widen its services coverage within the government sector. EKOM will also focus on seeking opportunities within the defense sector and the oil and gas industry. Greater emphasis will be given to the marketing of tailored I.T solutions and value added services which yield higher margins. Customer centricity will become a bigger priority at EKOM as the Company shifts to become a more consultative I.T partner of their customers. Deeper and closer engagement with customers to understand their unique and changing needs will be EKOM's service approach

SIDIC TECHNOLOGY SDN BHD

SIDIC Technology is principally involved in the provision of smart technology solutions. Over the years, SIDIC has built up an esteemed group of customers, which included Universiti Malaysia Perlis (UNIMAP). At UNIMAP, SIDIC was responsible for the implementation of a comprehensive time attendance and access control system at multiple locations in Perlis. The system provides UNIMAP the ability to monitor the attendance of students at different locations in a real-time manner.

Another established customer was FELDA for whom SIDIC provided

CCTV and access control solutions to enable FELDA to enhance its security within their office premises.

During the year in review, SIDIC scored a major success in its services for the Ministry of Energy, Water and Telecommunications. SIDIC's involvement with the Ministry was in the upgrading of ICT facilities of post offices throughout the country. This project involved the installation of wifi access in the post offices which enables members of the public to enjoy wireless internet access in the vicinity of the post offices. As part of this project, SIDIC will undertake a programme to increase the level of ICT awareness among the rural communities.

Looking ahead, SIDIC will establish stronger relationships with smart technology partners to pursue new opportunities to provide ICT solutions in both the government and the private sectors. With the challenges of increasing operational costs and tougher competition, SIDIC will leverage on EKOM's resources to provide more comprehensive and cost effective solutions to its customers. Customers will enjoy the cross synergies in technology and expertise that SIDIC can tap from EKOM.

REVIEW OF OPERATIONS

SHINBA-EDARAN SND BHD

Shinba-Edaran Sdn Bhd is EDARAN's joint venture company between Shinba Integrated Engineering Services of Brunei Darusallam and Edaran Komputer Sdn Bhd. Incorporated in 2006 and based in Bandar Seri Begawan, the Company was established as the Group's extension into South East Asia. Like Edaran Komputer, its principal activities are I.T based. Shinba-Edaran provides a full range of I.T services and solutions that are much needed in the developing market of Brunei. Although its core competencies are I.T oriented, Shinba-Edaran has adopted a versatile approach and is open to opportunities with good business potential.

Within a short span of its establishment, Shinba-Edaran has made impressive headway in the area of lifestyle development projects that will eventually involve a high degree of I.T. The Company is presently pursuing a proposed property development project at Kampung Keriam and remains encouraged by the progress made. The proposed turnkey project, when it materialises, will see Shinba-Edaran involved in the development of facilities for a smart community including housing units, smart schools, a commercial centre, a mosque and other public facilities that are needed in a smart community lifestyle.

Shinba-Edaran is positive about its prospects in the I.T business and lifestyle development sectors even as it seeks out potential opportunities in other business activities in Brunei and the surrounding region.



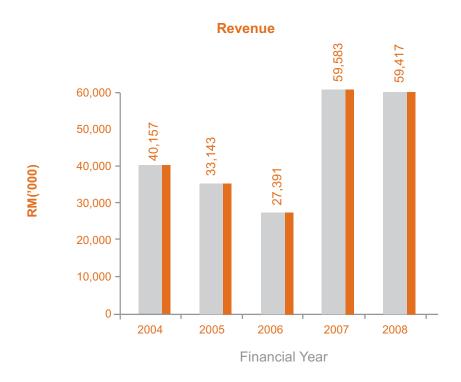


FINANCIAL HIGHLIGHTS

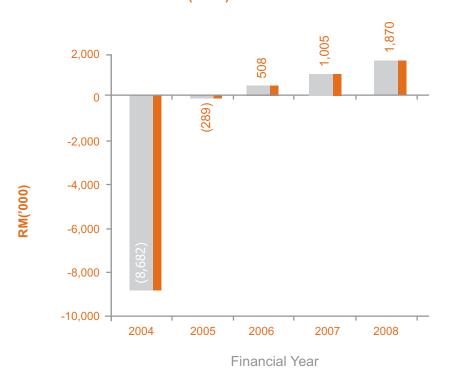
Five Years Group Financial Highlights

		2007	2006	2005	2004
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
INCOME STATEMENT					
REVENUE	59,417	59,583	27,391	33,143	40,157
Profit/(Loss) before taxation	701	1,041	508	(251)	(7,473)
Taxation	1,169	(36)	-	(38)	(1,209)
Profit/(Loss) after taxation	1,870	1,005	508	(289)	(8,682)
Net Earnings/(Loss) per share (sen)	3.21	1.68	0.85	(0.48)	(14.47)
BALANCE SHEET					
Shareholders' Fund	48,505	47,723	45,963	45,455	45,744
Net Current Assets	25,378	26,451	27,397	27,047	46,850
Total Assets	69,468	70,506	61,136	63,226	82,285
Long Term Debts	1,967	1,784	2,453	3,121	24,153
Net Assets per share (sen)	0.81	0.80	0.77	0.76	0.76

FINANCIAL HIGHLIGHTS

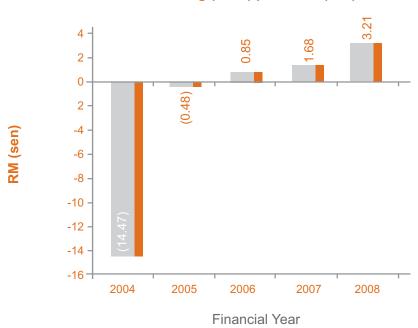


Profit/(Loss) After Taxation

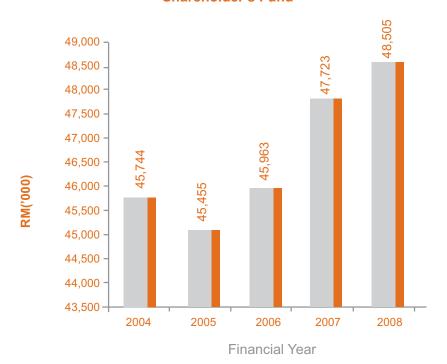


FINANCIAL HIGHLIGHTS

Net Earning/(Loss) per share (sen)



Shareholder's Fund







The Board of Directors ("Board") is fully committed in ensuring that the Principles and Best Practices in Corporate Governance established by the Malaysian Code on Corporate Governance ("Code") are embedded and well applied to protect and enhance the interests of all stakeholders. The Board subscribes to the belief that self-regulation in tandem with observance of statutory requirements is pivotal to sound corporate governance. The Group continues to conduct its business with integrity and exercises a high level of transparency and objectivity.

1. BOARD OF DIRECTORS

Composition of the Board

The Group continues to have a strong and experienced Board, comprising members from a wide variety of background with suitable qualifications and experience relevant to the business. The profiles of the Directors set out in the Corporate Information of this Annual Report, reflect clearly the depth and diversity in expertise to allow for an independent and objective analysis of business decisions.

The Board currently has nine members, three of whom are Executive Directors. There are six Non-Executive Directors, five of whom are Independent. The Independent Directors, fulfil their roles by exercising independent judgment and objective participation in the deliberations of the Board. The Board is headed by a Non-Executive Chairman whose role is clearly differentiated from that of the Managing Director, to ensure a balance of power and authority.

In accordance with the requirements of the Code, Datuk Emam Mohd Haniff Emam Mohd Hussain has been appointed as the Senior Independent, Non-Executive Director to assist the Board with concerns regarding the Group where it could be inappropriate for these to be dealt with by the Chairman or the Executive Directors.

Duties and Responsibilities of the Board

The Board has diligently carried out its responsibilities for the policies and general affairs while retaining full and effective control of the Group. This includes responsibility for the examination and deliberation of the medium and long-term strategies proposed by the management as well as strategies for the development of the Group. The Board's other main duties include regular reviews of the business operations and performance and ensuring that the infrastructure, internal controls and risk management process are well in place. The Board approves the Group's annual business plan and budget and

carries out periodic reviews of the progress made by various units of the Group.

Board Meetings and Supply of Information

Board meetings are held regularly, at least once every quarter when reports on the financial and operational performance are tabled for review. The Board also evaluates corporate proposals that may give significant financial impact to the Group such as capital expenditure and acquisitions or disposals of assets. During the financial year ended 30 June 2008, the Board held five meetings. The details of the Directors' attendance are laid out in the Statement Accompanying Notice of Annual General Meeting.

The agenda for every Board meeting, together with comprehensive management reports are furnished to all Directors for their perusal well in advance of the meeting date. This gives the Directors ample time to review matters to be deliberated at the Board meeting and to facilitate informed decision-making.

All members of the Board have ready and unrestricted access to the advice and services of the Company Secretaries. The Directors have the liberty to seek independent professional advice if so required by them. Any such request is presented to the Board for approval.

Appointments and Re-election of Directors

The proposed appointment of new member(s) of the Board is recommended by the Nominating Committee to the Board for approval. The Nominating Committee comprises mainly of Independent, Non-Executive Directors and its composition is as follows:

CHAIRMAN

Dato' Abdul Halim Abdullah

MEMBERS

Dato' Hj Abdul Hamid Mustapha Dato' Lim Kheng Yew

The Nominating Committee's responsibilities are as follows:

 Recommend to the Board, technically competent persons of integrity with a strong sense of professionalism and who practise the highest standards for appointment as members of the Board of Directors, Managing Director and members of Board Committees.

STATEMENT ON CORPORATE GOVERNANCE

- Review the Board structure and balance of appointments between Executive and Non-Executive Directors.
- Review the adequacy of the Committee structures of the Audit, Nominating, Remuneration and other Board Committees.
- Review, on an annual basis, the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.
- Carry out the process endorsed by the Board for assessing the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.

The Articles of Association states that at each Annual General Meeting (AGM), one-third of the Directors are required to retire from office. All Directors shall retire from office at least once in every three years and shall be eligible for re-election.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme (MAP) and the Continuous Education Programme (CEP) prescribed by the Bursa Malaysia Securities Berhad.

Committees Established by the Board

The Board has established Board Committees to assist the Board. The functions and terms of reference of the Board Committees as well as the authority delegated by the Board to these Committees are clearly defined. The Board may determine such other responsibilities from time to time. The Committees are as follows:

- Audit Committee
 - The terms of reference of the Audit Committee are set out in the Audit Committee Report.
- Nominating Committee
 - The terms of reference of the Nominating Committee are set out in the section 'Appointments and Re-election of Directors' in this Statement on Corporate Governance.
- Remuneration Committee

The terms of reference of the Remuneration Committee are set out in the section 'Directors' Remuneration' in this Statement on Corporate Governance.

Risk Management Committee

The main function of the Risk Management Committee is to assist the Board in its supervisory role in the management of risks covering external and strategic risks, customer and product risks, regulatory and financial risks, people, operations and internal process risks. The composition of the Risk Management Committee is as follows:

CHAIRMAN

Dato' Abdul Malek Ahmad Shazili

MEMBERS

Dato' Bistamam Ramli
Datuk Mohd Shu'aib Ishak
Fazlan Azri Tajudin
Md Arif Hj Hasan
Abdul Shukri Abdullah
Mustafa Rawther Mohamed Rawther

The terms of reference of the Risk Management Committee include:

- Developing a risk management framework.
- Identifying the Group's key business risks.
- Developing and implementing mitigating action plans.
- Coordinating and monitoring the effectiveness of the Group's risk management activities.

2. DIRECTORS' REMUNERATION

Level and Make-Up of Remuneration

The Executive Directors' remuneration consists of salary, allowance, bonus and other customary benefits as deemed appropriate. The Non-Executive Directors' remuneration consists of annual flat fees as a Board member and allowance for attendance of meetings. The Directors' remuneration is disclosed in Note 25 of the Financial Statements.

The Remuneration Committee carries out reviews whereupon recommendations are submitted to the Board on the level and make-up of remuneration. This is to ensure that the remuneration policy remains competitive and in tandem with the corporate objectives, culture and strategy.

STATEMENT ON CORPORATE GOVERNANCE

The Remuneration Committee is mainly made up of Non-Executive Directors whose members are as follows:

CHAIRMAN

Dato' Abdul Halim Abdullah

MEMBERS

Tan Sri Dato' Tajudin Ramli Dato' Hj Abdul Hamid Mustapha Dato' Lim Kheng Yew Dato' Bistamam Ramli

The responsibilities of the Remuneration Committee are as follows:

- Establish a formal and transparent policy and procedure for executive remuneration and the remuneration packages of individual Directors.
- Consider and recommend the level and make-up of the remuneration of the Executive Directors.
- Review all benefits and entitlements of the Board of Directors on a regular basis.

The determination of the remuneration packages for Non-Executive Directors is a matter for the Board as a whole. Fees payable to Non-Executive Directors are recommended by the Board for shareholders' approval at the AGM. The Executive Directors play no part in the decisions made on their remuneration.

3. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Investor Relations

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group. Timely releases of financial results on a quarterly basis provide the shareholders with an overview of the Group's performance and operations. In addition, information is also available through the various announcements made during the year and through circulars, if necessary.

The AGM is the principal forum for dialogue with shareholders in which they are encouraged to participate. At each AGM, the Board presents the progress and performance of the Group and where appropriate, provides the shareholders with a written clarification.

For the re-election of Directors, the Board ensures that full information is disclosed in notices of meeting regarding Directors who are retiring and who are willing to serve if re-elected.

Each item of special business included in the notice of the meeting will be accompanied by an explanatory statement of the effects of the proposed resolution to facilitate the full understanding and evaluation of issues involved.

4. ACCOUNTABILITY AND AUDIT

Financial Reporting

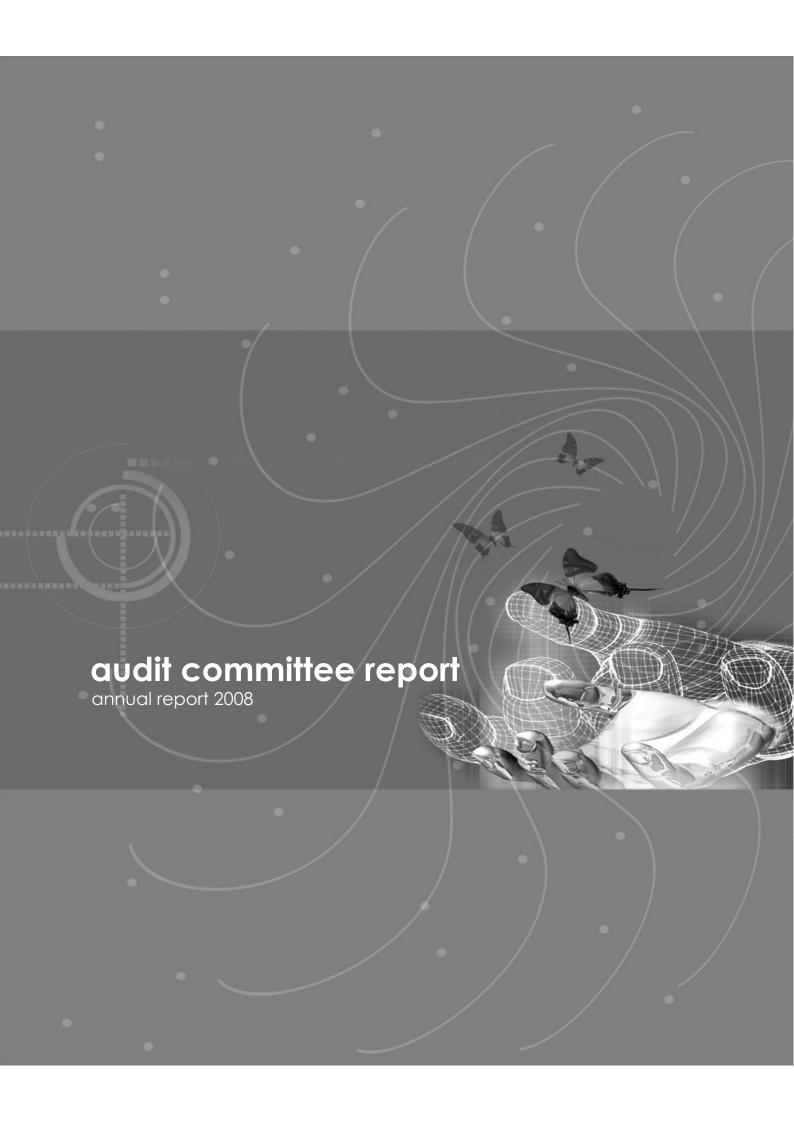
The Board aims to present a balanced, clear and meaningful assessment of the Group's financial position and prospects in all their reports to shareholders, investors and regulatory authorities. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out in the Financial Statements of this Annual Report.

Internal Controls

The Board has overall responsibility for maintaining a system on internal controls that provides reasonable assurance of effective and efficient operations and compliance with Standard Operating Procedures and other internal guidelines. The Statement on Internal Control, which is set out in this Annual Report, provides an overview of the risk management process as well as the manner by which the internal control systems have been designed to manage risks and avert failures.

Relationship with External Auditors

The role of the Audit Committee in relation to the external auditors may be found in the Audit Committee Report. The Group maintains a transparent relationship with its external auditors





1. MEMBERSHIP AND ATTENDANCE

The members shall be appointed by the Board of Directors and shall consist of not less than three members, a majority of whom must be Independent Directors. At least one member shall be a member of the Malaysian Institute of Accountants or otherwise fulfills the criteria set out in paragraph 15.10(1) of the Bursa Securities Listing Requirements. No alternate Director shall be appointed as a member of the Audit Committee. The Chairman of the Audit Committee is to be elected amongst themselves but he/she must be an Independent, Non-Executive Director.

The Audit Committee comprises of the following members and the details of attendance of each member at committee meetings held during the financial year 2008 are as follows:

Members	Attendance at meetings
Dato' Abdul Halim Abdullah Chairman / Independent, Non-Executive Director	4 of 4
Datuk Emam Mohd Haniff Emam Mohd Hussain Member / Senior Independent, Non-Executive Director	4 of 4
Dato' Bistamam Ramli Member / Managing Director	4 of 4
Dato' Lim Kheng Yew * Member / Independent, Non-Executive Director	1 of 2
Shaifubahrim Mohd Saleh ** Member / Independent, Non-Executive Director	2 of 2

- Dato' Lim Kheng Yew was appointed member of the Committee effective 12 December 2007
- ** Shaifubahrim Mohd Saleh resigned from the Committee effective 12 December 2007

2. SECRETARY

The Company Secretary and/or the Assistant Company Secretary and/or any other person as may be appointed by the Audit Committee shall be the Secretary to the Audit Committee. The minutes of meetings are circulated to the Committee members and to all other members of the Board. Alternatively, the Chairman of the Audit Committee shall present the Audit Committee Report at the earliest Board of Directors' meeting. The Audit Committee Report shall include, among others, a summary of all matters discussed in the Audit Committee meeting and the decisions and recommendations made.

3. SUMMARY OF ACTIVITIES

Audit Committee meetings were held as follows during the financial year:

Meeting No.	Date	Time
03-07	28 August 2007	10.00 a.m
04-07	21 November 2007	10.00 a.m
01-08	27 February 2008	10.00 a.m
02-08	21 May 2008	09.30 a.m

The Head of Internal Audit shall normally attend the meetings. Other Directors and employees of the Group shall attend the meetings only at the invitation of the Committee. As and when necessary, the external auditors will be invited into the meetings.

In accordance with its terms of reference, the following activities were undertaken by the Audit Committee:

- Reviewed the annual audit plan to ensure adequate scope and coverage for the year.
- Reviewed the internal audit reports, audit recommendations made and management's responses. Where appropriate, the Audit Committee has directed action to be taken by the management to rectify and improve the system of internal controls.
- Reviewed the status reports to monitor implementation of audit recommendations to ensure that all key risks and controls have been addressed.

AUDIT COMMITTEE REPORT

- Reviewed the draft audited financial statements for the financial year ended 30 June 2007.
- Reviewed the draft announcements to the Bursa Malaysia Securities Berhad on the quarterly report of the Group for the financial quarters ended 30 June 2007, 30 September 2007, 31 December 2007 and 31 March 2008.

The Audit Committee updated the Board on the issues and concerns discussed during their meetings including those raised by the external auditors and where appropriate, made the necessary recommendations to the Board.

4. INTERNAL AUDIT FUNCTION

The Internal Audit Department assists the Audit Committee in the discharge of its duties and responsibilities. Its main role is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively.

A risk-based approach is used to ensure that the higher risk activities in each auditable area are audited annually.

5. TERMS OF REFERENCE

Quorum of Meeting

The majority of members present must be Independent Directors.

Frequency of Meeting

The Audit Committee shall have at least one meeting per financial guarter.

Functions

The Audit Committee shall undertake the following functions and report, where necessary to the Board of Directors:

- Review with the external auditor, its audit plan.
- Review with the external auditor, its evaluation of the system of internal controls.
- Review with the external auditor, its audit report.

- Review the assistance given by the employees of the Company to the external auditor.
- Review the adequacy of the scope, functions, competency and resources of the internal audit functions and ensure that it has the necessary authority to carry out its work.
- Review the internal audit programme, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- Review the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on changes in or implementation of major accounting policy changes, significant or unusual events and compliance with accounting standards and other legal requirements.
- Review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- Review any letter of resignation from the external auditor of the Company.
- Review whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.
- Review the external auditor's management letter and the management's response thereto.
- Review any appraisal or assessment of the performance of members of the internal audit function.
- Review any appointment or termination of senior staff members of the internal audit function.
- Review the appointment and remuneration of the external auditor each year and make recommendation thereon.
- To be informed of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning, if necessary.



- Consider the major findings of internal investigations and management's response thereto.
- Consider other topics as defined by the Board of Directors from time to time.
- Provide support, as deemed necessary, to the internal audit activities.
- Recommend the nomination of a person or persons as external auditor.

Access

The Audit Committee shall have:

- The authority to investigate any matter within its terms of reference.
- The resources, which are required to perform its duties.
- Full and unrestricted access to any information pertaining to the Group.
- Direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.
- Independent professional or other advice, as deemed necessary.
- The rights to convene meetings with the external auditors, excluding the attendance of the Executive Members of the Committee.
- To report to the Bursa Malaysia Securities Berhad should the Committee opine that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements as it deems necessary.

Review of the Audit Committee

The Board of Directors reviews the term of office and performance of the Audit Committee and each of its members at least once every three years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Retirement and Resignation

In the event of any vacancy in the composition of Audit Committee, the Company must fill the vacancy within three months







The Board of Directors ("Board") is responsible for the Group's system of internal controls and its effectiveness to safeguard shareholders' investment and the Group's asset. The Board has established an on-going process for identifying, evaluating and managing significant risks faced by the Group and this process has been in place during the year under review. The management assists the Board in the implementation of the Board's policies and procedures on risks and controls.

The key processes that have been established by the Board in reviewing the adequacy and integrity of the system of internal controls, which provide reasonable assurance against material misstatement or loss, include the following:

- The Risk Management Committee (RMC) was established to assist the Board to oversee the overall management of principal areas of risk. The RMC meets regularly and reports subsequently to the Board. The functions of the RMC are set out in the Statement on Corporate Governance.
- Other committees have also been established with appropriate empowerment, including authorisation levels to ensure effective management and supervision. The delegation of authorities to these committees of the Board is subject to ongoing reviews.
- Internal procedures and limits of authority set out in the Standard Operating Procedures, which are periodically reviewed, facilitate compliance with internal controls and other regulatory requirements.
- The management provides regular and comprehensive information covering financial performance, key business indicators, staff utilisation and cash flow performance.
- The annual budget and business plan are prepared and tabled to the Board for approval.
- The Board receives and reviews financial results on a quarterly basis.
- The Audit Committee reviews internal control issues identified by the Internal Audit Department and monitors compliance with procedures on a regular basis.

- There is a clearly defined framework for investment appraisals and approvals. Post implementation reviews are conducted and reported to the Board.
- The professionalism and competence of staff are maintained through a comprehensive recruitment process, performance appraisal, training and development programmes.

The external auditor has reviewed this statement for inclusion in the annual report for the year ended 30 June 2008 and reported to the Board that the statement is consistent with the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.





1. Directors (as at 30 September 2008)

None of the Directors has any family relationships with other Directors except for the following:

Tan Sri Dato' Tajudin Ramli is a shareholder of Kauthar Sdn Bhd, a substantial shareholder of the Company. He is related to the following directors:-

- (i) Dato' Bistamam Ramli, who is the brother of Tan Sri Dato' Tajudin Ramli, and
- (ii) En. Fazlan Azri Tajudin, who is the son of Tan Sri Dato' Tajudin Ramli.

The profiles of the respective directors are set out on pages 9 to 14 of this Annual Report.

2. Directors' Attendance at Board Meetings

Details of Directors' attendance at the Board of Directors meetings are laid out in the Statement Accompanying Notice of Annual General Meeting on page 5 of this Annual Report.

3. Offence (as at 30 September 2008)

None of the Directors has been convicted for offences within the past ten years other than traffic offences, if at all there was any.

4. Conflict of Interest (as at 30 September 2008)

There has been no conflict of interest between any of the Directors and the Company and its subsidiaries.

5. Share Buyback

Schedule of the share buyback for the financial year ended 30 June 2008 is as follows:

MONTH	NO. OF SHARES PURCHASED	PER S	SED PRICE SHARE RM)	AVERAGE PRICE (RM)	TOTAL CONSIDERATION PAID (RM)
		Highest	Lowest		
July 2007	263,500	0.6200	0.5176	0.5409	142,519
August 2007	367,900	0.5838	0.4622	0.5503	202,453
September 2007	20,000	0.4300	0.4300	0.4332	8,664
October 2007	90,300	0.5067	0.4263	0.4747	42,869
November 2007	292,400	0.8200	0.5667	0.7033	205,653
TOTAL	1,034,100				602,158

MONTH	NO. OF SHARES		CE PER SHARE RM)	AVERAGE PRICE	TOTAL CONSIDERATION RECEIVED
	RESOLD	Highest	Lowest	(RM)	(RM)
November 2007	54,000	0.8463	0.8175	0.8294	44,790
TOTAL	54,000				44,790

The details of the share buyback are laid out in note 16 of the Financial Statements.

6. Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities exercised during the financial year.

7. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme (as at 30 September 2008)

During the financial year, the Group did not sponsor any ADR or GDR programme.

8. Imposition of Sanctions and/or Penalties (as at 30 September 2008)

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

9. Non-Audit Fees

There were no amounts of non-audit fees paid to the external auditors by the Group during the financial year ended 30 June 2008.

10. Variation in Results

There was an 84% variance between the audited Net Profit After Tax and the unaudited Net Profit After Tax of the Group for the financial year ended 30 June 2008. The variance was mainly attributed to the recognition of overprovision in taxation in prior year due to the adoption of a new ruling from the Inland Revenue Board effective from Year Assessment 2006 (Financial Year 2007) and the recognition of tax credit resulting from the receipt of dividend income from a subsidiary.

11. Profit Forecast

The disclosure requirements for explanatory notes for profit forecast are not applicable.

12. Profit Guarantee

During the financial year, there were no profit guarantees given by the Group.

13. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests which were still subsisting as at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

14. Revaluation Policy on Landed Properties

The Group has adopted a policy of regular revaluation on its landed properties in the financial year as disclosed in Note 3(C) of the Financial Statements

15. List of Properties

The list of properties is stated on pages 95 to 98 of this Annual Report.

16. Related Party Transactions - Para 10.09 of the Bursa Securities Listing Requirements

Details of the transactions with related parties undertaken by the Group during the period under review are disclosed in the Listing Compliance Status laid out in this statement and Note 30 of the Financial Statements.

LISTING COMPLIANCE STATUS

A. Shareholding

The majority of Edaran Berhad (EDARAN) shares are held by Bumiputera shareholders and details of the shareholdings as at 30 September 2008 are as follows:

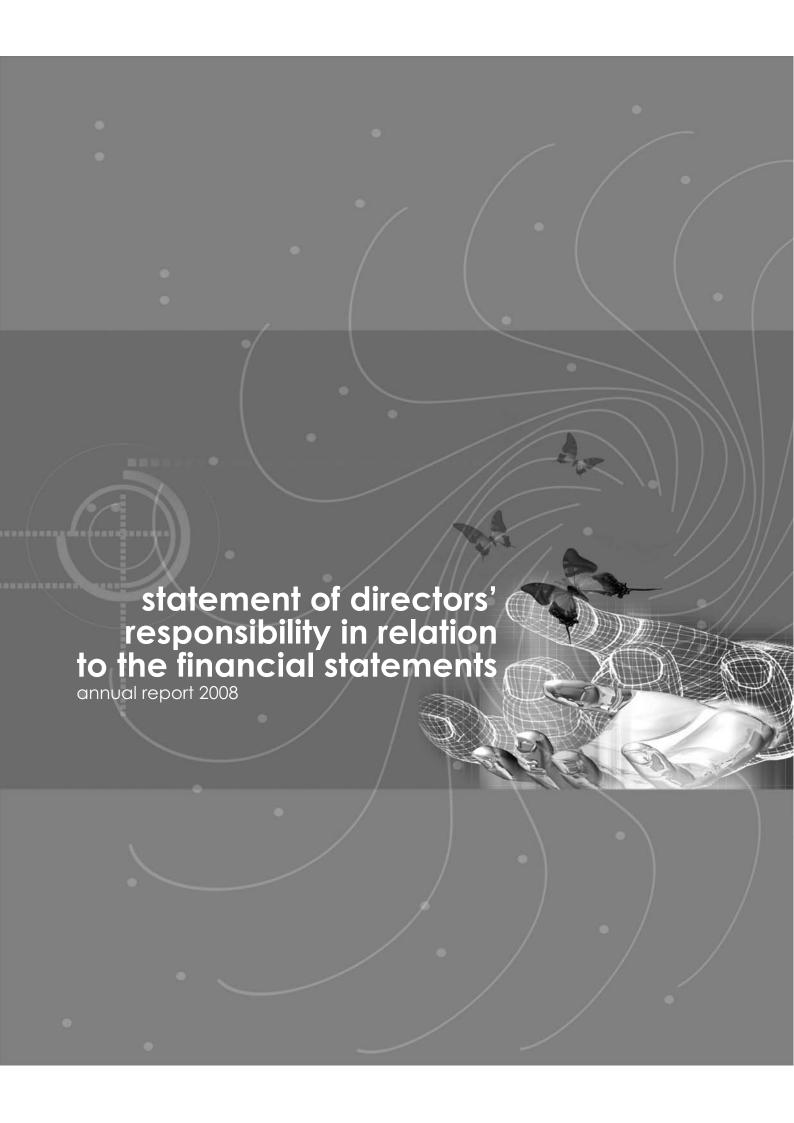
MONTH	NO. OF SHARES	% OF PAID-UP CAPITAL
MALAYSIAN		
Bumiputera	50,432,800	84.05
Non-Bumiputera	9,408,200	15.68
Total Malaysian	59,841,000	99.73
FOREIGN	159,000	0.27
TOTAL	60,000,000	100.00

B. Related Party Transaction

The Company has not sought any mandate from the shareholders for Recurrent Related Party Transactions ("RRPT") and has not entered into and RRPT since the last AGM.

C . Overdue Debts

As at 30 June 2008, the amount owing from the net trade debtors is approximately RM15.87 million (RM17.60 million FY 2007) of which the amount over the 365 days period is approximately RM3.73 million (RM4.22 million FY 2007). The Company continues to pursue full recovery of these debts.



The Directors are responsible for ensuring that the annual audited financial statements of the Group are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Bursa Securities Listing Requirements.

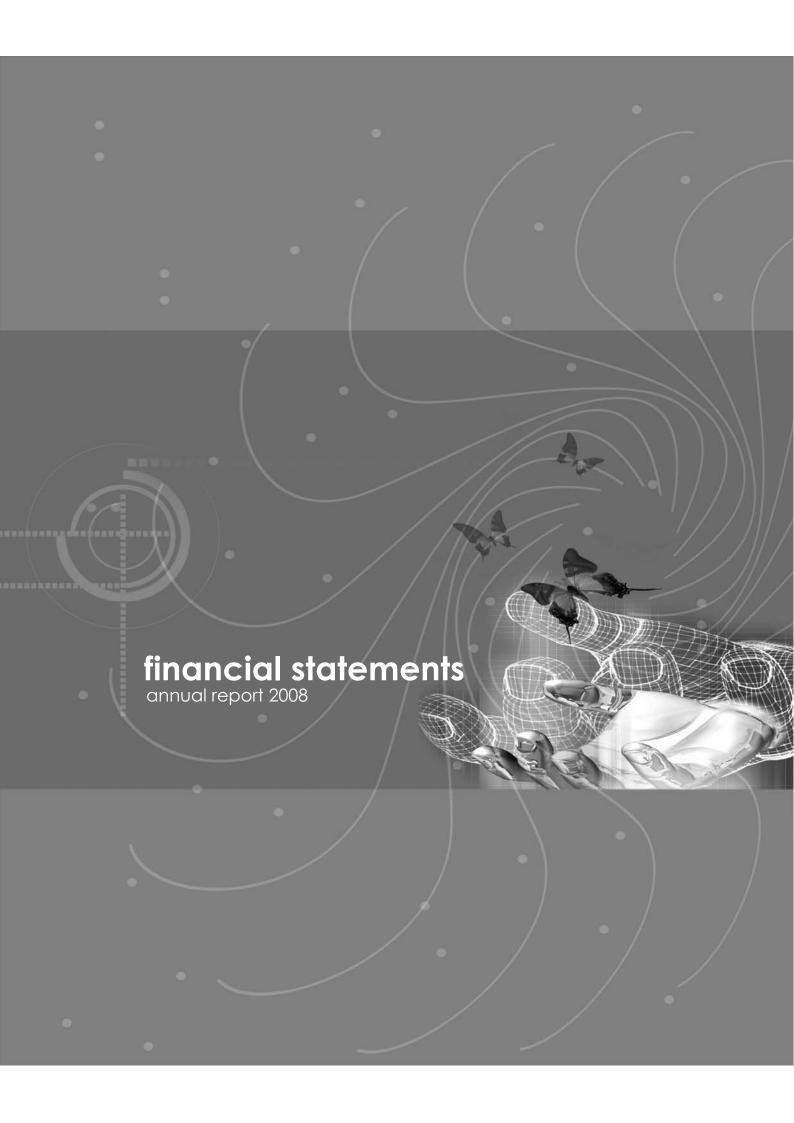
The Directors are also responsible for ensuring that the annual audited financial statements of the Group are prepared with reasonable accuracy so as to provide a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of their results and cash flows for that year then ended.

In preparing the annual audited financial statements, the Directors have:

- Applied the appropriate and relevant accounting policies on a consistent basis.
- Exercised judgment and made estimates that are reasonable and prudent.
- Followed all applicable approved accounting standards in Malaysia.

The Directors are responsible for ensuring that the Company maintains accounting records with reasonable accuracy to provide the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have taken reasonable steps to safeguard the assets of the Group, prevent and detect fraud and other irregularities.



CONTENTS

annual report 2008



- 49 Directors' Report
- 53 Statement by Directors
- Statutory Declaration 53
- Auditors' Report 54
- 56 Consolidated Balance Sheet
- **Balance Sheet** 57
- 58 Consolidated Statement of Changes in Equity
- 59 Statement of Changes in Equity
- 60 Consolidated Income Statement
- 61 **Income Statement**
- 62 Consolidated Cash Flow Statement
- 63 Cash Flow Statement
- Notes to the Financial Statements





The directors of EDARAN BERHAD are pleased to submit their report and the audited financial statements of the Group and of the Company for the year ended 30 June 2008.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company and provider of management services. The principal activities of the subsidiaries and associate are disclosed in Notes 7 and 8 to the financial statements. There have been no significant changes in activities during the financial year.

RESULTS OF OPERATIONS

Net profit for the year

 Group
 Company

 RM
 RM

 1,869,661
 939,788

In the opinion of the directors, the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amount of dividend paid by the Company since 30 June 2007 were as follows:

In respect of the financial year ended 30 June 2007 as reported in the directors' report of that year:

First and final dividend of 1.37% less 26% taxation on 57,915,000 ordinary shares declared on 22 November 2007 and paid on 27 December 2007

RM 587,142

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 June 2008, of 0.78% less 25% taxation on 60,000,000 ordinary shares, amounting to a dividend payable of RM351,000 (0.585 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2009.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any shares or debentures during the financial year.

TREASURY SHARES

During the financial year, the Company purchased 1,034,100 of its own shares from the open market at an average price of RM0.578 per share. The total consideration paid for the shares purchased including transaction costs was RM602,158. These shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The Company also sold 54,000 treasury shares in the open market at an average price of RM0.836. Total consideration received including transaction cost was RM44,790.

As at 30 June 2008, the Company held as treasury shares a total of 2,085,000 of its 60,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,045,810 and further relevant details are as disclosed in Note 16 to the financial statements.



SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there are no unissued shares of the Company under options.

OTHER FINANCIAL INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and are satisfied themselves that all known bad debts have been written off and adequate provision for doubtful debts has been made; and
- (b) to ensure that any current assets, which were unlikely to realise their book values in the ordinary course of business, have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Tan Sri Dato' Tajudin Ramli Datuk Emam Mohd Haniff Emam Mohd Hussain Dato' Abdul Halim Abdullah Dato' Abdul Malek Ahmad Shazili Dato' Hj Abdul Hamid Mustapha Dato' Lim Kheng Yew (Appointed on 12.12.2007) Dato' Idrus Zainol *(Resigned on 12.12.2007)*Dato' Bistamam Ramli
Datuk Mohd Shu'aib Ishak
Shaifubahrim Mohd Saleh *(Resigned on 12.12.2007)*Fazlan Azri Tajudin

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year as recorded in the Register of Directors' shareholdings kept by the Company are as follows:

		Number of Ordinary S	hares of RM1	each
	As at 1.7.2007	Bought	Sold	As at 30.6.2008
Direct Interest:				
Datuk Mohd Shu'aib Ishak	1,421,428	-	-	1,421,428
Tan Sri Dato' Tajudin Ramli	2	-	-	2
Indirect Interest:				
Tan Sri Dato' Tajudin Ramli (Note a)	15,769,440	-	-	15,769,440
Datuk Mohd Shu'aib Ishak (Note b)	60,000	-	-	60,000
Fazlan Azri Tajudin (Note c)	32,000	225,600	-	257,600

Note a: Deemed interest by virtue of his interest in Kauthar Sdn. Bhd. which holds 15,769,440 shares in the Company.

Note b: Deemed interest by virtue of the shares of the Company registered in the name of his close family member.

Note c: Deemed interest by virtue of his interest in Fazlan & Amal Sdn. Bhd. which holds 257,600 shares in the Company.

Tan Sri Dato' Tajudin Ramli by virtue of his interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (except for directors' remuneration disclosed in the financial statements) by reason of a contract made by the Company with the Director or a related corporation with a director or with a firm of which he is a member, or with a company in which he has a substantial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.



AUDITORS

The auditors, Messrs. Parker Randall Mea, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors

DATO' ABDUL HALIM ABDULLAH

DATO' BISTAMAM RAMLI

Kuala Lumpur 24 October 2008



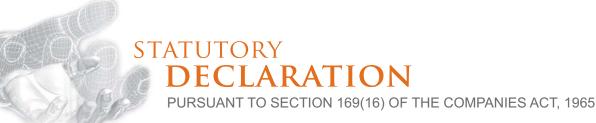
We, **DATO' ABDUL HALIM ABDULLAH** and **DATO' BISTAMAM RAMLI**, being two of the directors of **EDARAN BERHAD**, state that in the opinion of the directors, the financial statements set out on pages 56 to 90 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2008 and of their results and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors

DATO' ABDUL HALIM ABDULLAH

DATO' BISTAMAM RAMLI

Kuala Lumpur 24 October 2008



I, DATO' BISTAMAM RAMLI, the director responsible for the financial management of EDARAN BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 56 to 90, are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the } abovenamed DATO' BISTAMAM RAMLI } at KUALA LUMPUR on 24 October 2008

DATO' BISTAMAM RAMLI

Before me,

Commissioner for Oaths



PARKER RANDALL MEA (AF 1867) CHARTERED ACCOUNTANTS

305 Block E, Phileo Damansara I, 9 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

Tel: 03-7665 1872 Fax: 03-7665 1739

REPORT OF THE AUDITORS TO THE MEMBERS OF EDARAN BERHAD (241644 W)

(Formerly known as Edaran Digital Systems Berhad) (Incorporated in Malaysia)

Reports on the Financial Statements

We have audited the financial statements of Edaran Berhad, which comprise the balance sheet as at 30 June 2008 of the Group and of the Company, and the income statement, statement of changes in equity and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 56 to 90.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimate that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud and error. In making those risks assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2008 and their financial performance and cash flows for the year then ended.

AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act, to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of the subsidiary of which we have not acted as auditors, which are indicated in Note 7 to the financial statements;
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes; and
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PARKER RANDALL MEA AF 1867 Chartered Accountants MEA FATT LEONG 1346/8/09 (J) Chartered Accountants

Kuala Lumpur 24 October 2008



ASSETS	Note	2008 RM	2007 RM
Non-Current Assets			
Property, plant and equipment	4	8,044,840	5,911,288
Prepaid land lease payments	5	8,333,863	8,429,000
Investment property	6	8,645,144	8,645,144
Others investment	8	71,145	71,145
Cutore investment	· ·	25,094,992	23,056,577
Current Assets			
Inventories	9	16,534	22,634
Amounts due from customers on contracts	10	8,738,792	7,337,416
Trade receivables	11	15,865,863	17,597,345
Other receivables, deposits and prepayments	12	2,128,882	1,516,174
Tax recoverable	· -	855,666	3,479,598
Deposits with licensed banks	13	13,154,242	10,624,600
Cash and bank balances		3,612,885	6,871,752
		44,372,864	47,449,519
TOTAL ASSETS		69,467,856	70,506,096
EQUITY AND LIABILITIES Equity attributable to equity holders of the Company			
Share capital	14	60,000,000	60,000,000
Share premium	15	8,022,580	8,004,347
Treasury shares	16	(1,045,810)	(470,209)
Revaluation reserve	17	1,224,926	1,224,926
Accumulated loss		(19,696,315)	(21,036,169)
Minority interest		48,505,381 -	47,722,895 -
Total Equity		48,505,381	47,722,895
Non-current liabilities			
Borrowings	19	1,967,580	1,784,352
Current liabilities			
Amount due to customers on contracts	10	1,053,408	1,598,958
Trade payables	21	11,847,746	11,009,439
Other payables and accruals	22	2,844,426	3,915,606
Borrowings	19	3,249,315	4,474,846
		18,994,895	20,998,849
Total liabilities		20,962,475	22,783,201
TOTAL EQUITY AND LIABILITIES		69,467,856	70,506,096

See accompanying notes to the financial statements



	Note	2008 RM	2007 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	559,485	624,790
Investment in subsidiaries	7	29,000,734	29,000,734
Amount due from subsidiaries	18	24,002,790	25,037,923
		53,563,009	54,663,447
Current Assets			
Other receivables, deposits and prepayments	12	111,199	50,525
Tax recoverable		855,666	254,972
Cash and bank balances		1,518,382	1,775,294
		2,485,247	2,080,791
TOTAL ASSETS		56,048,256	56,744,238
EQUITY AND LIABILITIES Equity attributable to equity holders of the Company			
Share capital	14	60,000,000	60,000,000
Share premium	15	8,022,580	8,004,347
Treasury shares	16	(1,045,810)	(470,209)
Accummulated loss		(28,604,496)	(28,957,142)
Total Equity		38,372,274	38,576,996
Non-current liabilities			
Amount due to a subsidiary	18	17,374,006	17,726,697
Current liabilities	22	204.076	440 545
Other payables and accruals		301,976	440,545
Total Liabilities		17,675,982	18,167,242
TOTAL EQUITY AND LIABILITIES		56,048,256	56,744,238

See accompanying notes to the financial statements

58

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2008

NON-DISTRIBUTABLE

At 1.7.2007 At 1.7.2008 At 1.7.2008 At 1.7.2008 At 1.7.2008 At 1.7.2008 At 30.6.2007 At		Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Revaluation Reserve RM	Accumulated Loss RM	Attributable to Equity Holders of the Company	Minority Interest RM	Total Equity RM
shares 16 (602,158) 44,790 - 44,790 44,790 44,790 44,790 44,790 44,790 57,335 - 57,335 57,335 57,335 57,335 57,335 57,335 -			000'000'09	8,004,347	(470,209)	1,224,926	(21,036,169)	47,722,895	,	47,722,895
s 16 - 18,233 26,557 44,790 - 57,335	treasury shares		ı	ı	(602,158)	ī	ı	(602,158)	1	(602,158)
a	sury shares	16	ı	18,233	26,557	1	ı	44,790	ı	44,790
hares 16	shares in a									
hares 16	/ company		1	ı	1		ı		57,335	57,335
- (587,142) (587,142) - (587,142) - (48,505,381 - 48,505,	r the year		ı	ı	1		1,926,996	1,926,996	(57,335)	1,869,661
60,000,000 8,022,580 (1,045,810) 1,224,926 (19,696,315) 48,505,381 - 48 60,000,000 8,004,347 -	Р		ı		1		(587,142)	(587,142)	ı	(587,142)
shares 16 - (470,209) - (470,2	σ.		000,000,000	8,022,580	(1,045,810)	1,224,926	(19,696,315)	48,505,381	1	48,505,381
shares 16 (470,209) (470,209) - 1,224,926 - 1,224,926 - 1,005,332 1,005,332 - 1 60,000,000 8,004,347 (470,209) 1,224,926 (21,036,169) 47,722,895 - 47			000,000,090	8,004,347	,	,	(22,041,501)	45,962,846	1	45,962,846
17 - 1,224,926 - 1,224,926 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,332 - 1,005,000 - 1,224,926 (21,036,169) 47,722,895 - 47,722,895 - 1,005,005,005 - 1,005,00	ftreasury shares	16	ı	1	(470,209)	1	ı	(470,209)	ı	(470,209)
the year 1,005,332 1,005,332 60,000,000 8,004,347 (470,209) 1,224,926 (21,036,169) 47,722,895	evaluation	17	1	1	1	1,224,926	1	1,224,926	1	1,224,926
60,000,000 8,004,347 (470,209) 1,224,926 (21,036,169) 47,722,895 -	r the year		1	1	1	1	1,005,332	1,005,332	1	1,005,332
	7		60,000,000	8,004,347	(470,209)	1,224,926	(21,036,169)	47,722,895	ı	47,722,895

NON-DISTRIBUTABLE

	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Accumulated Loss RM	Total Equity RM
At 1.7.2007 Purchase of treasury shares Sale of treasury shares Net profit for the year Dividend paid At 30.6.2008	16 16	60,000,000	8,004,347 - 18,233 - - - 8,022,580	(470,209) (602,158) 26,557 - - (1,045,810)	(28,957,142) - - 939,788 (587,142) (28,604,496)	38,576,996 (602,158) 44,790 939,788 (587,142) 38,372,274
At 1.7.2006 Purchase of treasury shares Net profit for the year At 30.6.2007	16	60,000,000	8,004,347 - - 8,004,347	(470,209) - (470,209)	(29,985,703) - 1,028,561 (28,957,142)	38,018,644 (470,209) 1,028,561 38,576,996

See accompanying notes to the financial statements

	Note	2008 RM	2007 RM
Revenue Contract Revenue Services rendered	10	57,234,191 2,182,483 59,416,674	57,265,375 2,317,769 59,583,144
Cost of sales		(43,841,809)	(45,075,060)
Gross profit		15,574,865	14,508,084
Other operating income		1,697,099	1,673,207
Administrative expenses Selling and marketing expenses Other operating expenses		(10,031,688) (691,027) (5,458,752)	(10,537,673) (843,119) (3,459,102)
Profit from operations		1,090,497	1,341,397
Finance costs		(389,277)	(299,912)
Profit before tax	23	701,220	1,041,485
Income tax	26	1,168,441	(36,153)
Net profit after taxation attributable to the group		1,869,661	1,005,332
Attributable to: Equity holders of the Company Minority interests		1,926,996 (57,335) 1,869,661	1,005,332
Earnings per share (sen)	28	3.21	1.68

See accompanying notes to the financial statements

INCOME STATEMENT For the year ended 30 June 2008

	Note	2008 RM	2007 RM
Revenue Other operating income		2,648,000 592,595	2,998,000 474,224
Administrative expenses Other operating expenses		(2,068,567) (312,934)	(1,892,831) (171,304)
Profit from operations		859,094	1,408,089
Finance costs		-	-
Profit before tax	23	859,094	1,408,089
Income tax	26	80,694	(379,528)
Net profit for the year		939,788	1,028,561

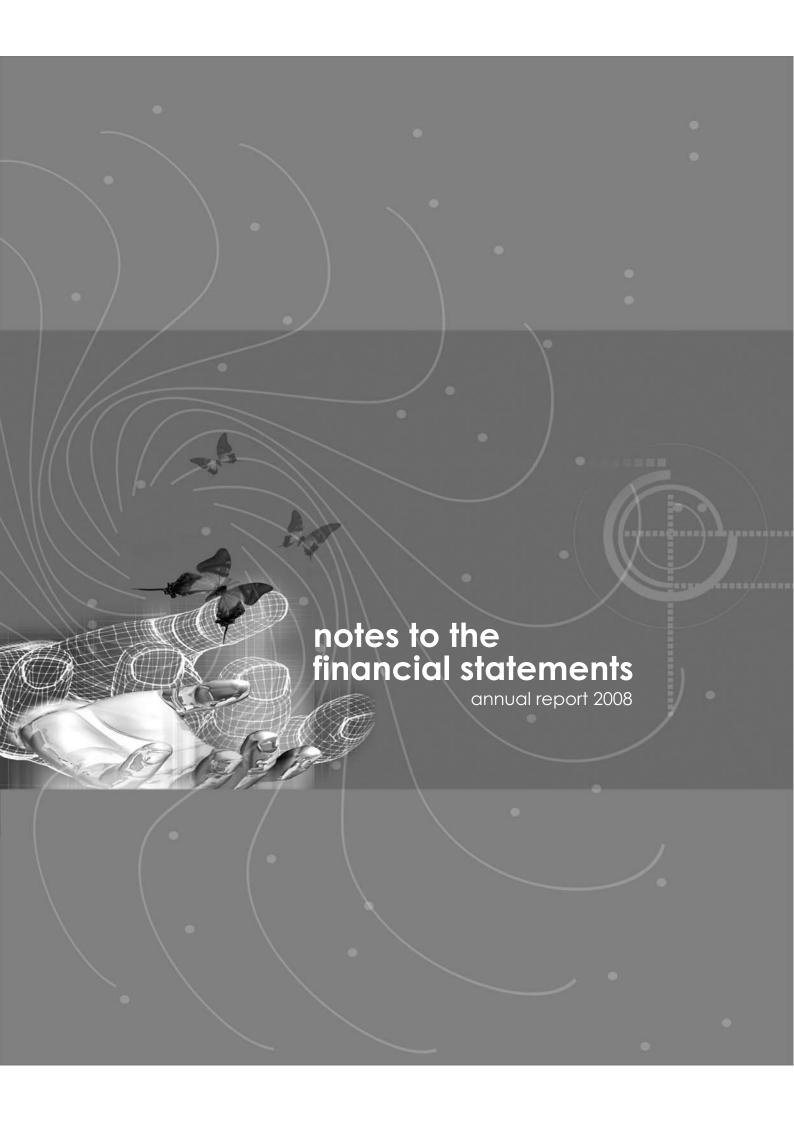
CONSOLIDATED CASH FLOW STATEMENT For the year ended 30 June 2008

CASH FLOWS FROM OPERATING ACTIVITIES		
	2008 RM	2007 RM
Profit before tax	701,220	1,041,485
Adjustment for non-cash items:	, , ,	, , , , , , , , , , , , , , , , , , , ,
Depreciation	1,002,059	727,561
Interest expense	389,277	299,912
Interest income	(337,166)	(495,827)
Impairment loss on other investments	-	1
Amortisation of prepaid land lease	95,137	110,298
Write back of impairment loss on property	<u>-</u>	(366,433)
Gain on disposal of plant and equipment	(142,158)	(1,499)
Plant and equipment written off	-	173
Provision for doubtful debts	559,486	500,000
Operating profit before working capital changes	2,267,855	1,815,671
Decrease/(increase) in inventories	6,100	(22,634)
Decrease/(increase) in receivables	559,288	(7,796,001)
Increase in amounts due from customers on contracts	(1,401,376)	(2,380,418)
(Decrease)/increase in amounts due to customers on contracts	(545,550)	681,389
(Decrease)/increase in payables	(232,873)	4,467,830
Decrease in amount due from associate	-	10,000
Cash generated from / (used in) operating activities	653,444	(3,224,163)
Income tax refund (net)	3,792,373	196,617
Interest paid	(389,277)	(299,912)
Interest received	337,166	495,827
	4,393,706	(2,831,631)
CASH FLOWS FROM INVESTING ACTIVITIES		,
Purchase of property, plant and equipment	(1,742,743)	(1,288,447)
Proceeds from disposal of plant and equipment	171,290	4,977
	(1,571,453)	(1,283,470)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares to minority shareholder	57,335	-
Dividend paid	(587,142)	-
Repayment of hire purchase payables	(71,860)	(64,167)
Repayment of term loan	(669,441)	(616,837)
Proceeds from sale of treasury shares	44,790	-
Repurchase of treasury shares	(602,158)	(470,209)
(Decrease)/increase in trust receipts	(1,723,002)	3,141,623
(Increase) / decrease in deposits pledged as security with licensed bank	(781,350)	270,966
	(4,332,828)	2,261,376
	(1,510,575)	(1,853,725)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
NET DECREASE IN CASH AND CASH EQUIVALENTS Balance at beginning of year	(, , , ,	
NET DECREASE IN CASH AND CASH EQUIVALENTS Balance at beginning of year Balance at end of year	10,007,615 8,497,040	11,861,340 10,007,615
Balance at beginning of year Balance at end of year	10,007,615	11,861,340
Balance at beginning of year Balance at end of year CASH AND CASH EQUIVALENTS CONSIST OF:	10,007,615 8,497,040	11,861,340 10,007,615
Balance at beginning of year Balance at end of year CASH AND CASH EQUIVALENTS CONSIST OF: Cash and bank balances	10,007,615 8,497,040 3,612,885	11,861,340 10,007,615 6,871,752
Balance at beginning of year Balance at end of year CASH AND CASH EQUIVALENTS CONSIST OF:	3,612,885 13,154,242	11,861,340 10,007,615 6,871,752 10,624,600
Balance at beginning of year Balance at end of year CASH AND CASH EQUIVALENTS CONSIST OF: Cash and bank balances Deposits with licensed banks	3,612,885 13,154,242 16,767,127	11,861,340 10,007,615 6,871,752 10,624,600 17,496,352
Balance at beginning of year Balance at end of year CASH AND CASH EQUIVALENTS CONSIST OF: Cash and bank balances	3,612,885 13,154,242	11,861,340 10,007,615 6,871,752 10,624,600

CASH FLOW STATEMENT

For the year ended 30 June 2008

	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	859,094	1,408,089
Adjustment for non-cash items:		
Depreciation	197,909	183,170
Dividend income from subsidiary	(2,000,000)	(2,350,000)
Interest income	(588,334)	(471,794)
Gain on disposal of plant and equipment	(3,630)	-
Plant and equipment written off		173
Operating loss before working capital changes	(1,534,961)	(1,230,362)
Increase in receivables	(60,674)	(15,988)
(Decrease) / increase in payables	(138,569)	179,934
Cash used in operating activities	(1,734,204)	(1,066,416)
Income tax refund	-	232,770
Interest received	588,334	471,794
	(1,145,870)	(361,852)
CASH FLOWS FROM INVESTING ACTIVITIES Sale proceeds from disposal of plant and equipment Purchase of property, plant and equipment Dividend received Repayments from subsidiaries	5,609 (134,583) 1,480,000 682,442 2,033,468	(622,077) 1,715,500 1,498,926 2,592,349
CASH FLOWS FROM FINANCING ACTIVITIES	(440)	
Dividend paid	(587,142)	- (470,000)
Repurchase of treasury shares	(602,158)	(470,209)
Sale of treasury shares	44,790 (1,144,510)	(470,209)
	(1,144,310)	(470,209)
NET (DECREASE) / INCREASE IN CASH	(256,912)	1,760,288
Balance at beginning of year	1,775,294	15,006
Balance at end of year	1,518,382	1,775,294
CASH AND CASH EQUIVALENTS CONSIST OF: Cash and bank balances	1,518,382	1,775,294



EDARAN BERHAD (241644 W)

(Formerly known as Edaran Digital Systems Berhad)
(Incorporated in Malaysia)

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad.

The Company is principally an investment holding company and provider of management services. The principal activities of the subsidiaries and associate are disclosed in Notes 7 and 8 to the financial statements. There have been no significant changes in activities during the year.

The Company changed its name to Edaran Berhad on 28 November 2007.

The registered office of the Company is located at No. 33-1, Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur. The principal place of business of the Company is located at No. 32, Jalan 1/76C, Desa Pandan, 55100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 October 2008.

2. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies. The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period.

It also requires the Directors to exercise their judgment in the process of applying the Group's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results could differ from these estimates.

Standards, amendments to published standards and interpretations that are effective.

The new accounting standards and amendments to published standards effective for the group's financial period beginning on or after 1 January 2007 are as follows:

- ~ FRS 6 Exploration for and Evaluation of Mineral Resources
- ~ FRS 117 Leases
- ~ FRS 124 Related Party Disclosures
- \sim Amendment to FRS 119 $_{2004}$ Employee Benefits Actuarial Gains and Losses, Group Plans and Disclosures

All changes in accounting policies have been made in accordance with the transition provisions in the respective standards and amendments to published standards.

All standards and amendments adopted by the Group require prospective application other than:

- ~ FRS 6 retrospective application unless it is impracticable and the entity shall disclose that fact.
- ~ FRS 117 retrospective application unless it is impracticable and the entity shall disclose that fact.
- ~ Amendment to FRS 119 2004 retrospective application for transitional liability.

2. BASIS OF PREPARATION (contd)

The following describes the impact of new standards, amendments and interpretations on the financial statements of the Group and Company.

(i) Irrelevant or immaterial effect on financial statements

The adoption of FRS 6, FRS 124 and amendment to FRS 119₂₀₀₄ did not have a material impact on the financial statements of the Group and Company.

In summary:

- ~ FRS 6 is not relevant to the Group and the Company's operations.
- ~ FRS 124 had no material effect on the Group and Company's policies, other than the identification of related parties and some other related party disclosures. The related party disclosures are set out in Note 30 to the financial statements.
- ~ Amendment to FRS 119 2004 had no material effect to the Group and Company.

(ii) FRS 117 Leases - This standard requires the classification of leasehold land as prepaid land lease payments.

The following adjustments have been made in accordance with the new FRS 117 to the affected consolidated balance sheet items as at 30 June 2007 and affected consolidated income statement items for the financial year ended 30 June 2007:

	AS PREVIOUSLY REPORTED RM	IMPACT OF ACCOUNTING POLICY CHANGES RM	RESTATED RM
Balance Sheet Non-current assets Property, plant and equipment Prepaid land lease payments	14,340,288	(8,429,000)	5,911,288
	-	8,429,000	8,429,000
Income Statement Depreciation of property, plant and equipment Amortisation of prepaid land lease payments	837,859	(110,298)	727,561
	-	110,298	110,298

There is no impact on the financial statements of the Company for the financial year ended 30 June 2007.

The new accounting standards and amendments to published standards effective for the Company's financial period beginning on or after 1 July 2007 are as follows:

FRS 112 Income Taxes

This revised standard removes the requirement that prohibit recognition of deferred tax on unutilised reinvestment allowances or other allowances in excess of capital allowances.

2. BASIS OF PREPARATION (contd)

- ~ Other revised standards that have no significant changes compared to the original standards:
 - -FRS 107 Cash Flow Statements
 - -FRS 111 Construction Contracts
 - -FRS 118 Revenue
 - -FRS 134 Interim Financial Reporting
 - -FRS 137 Provisions, Contingent Liabilities and Contingent Assets

Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation. This amendment requires exchange differences on monetary items that form part of the net investment in a foreign operation to be recognised in equity instead of in profit or loss regardless of the currency in which these items are denominated in.

~ FRS 120 Accounting for Government Grants and Disclosure of Government Assistance.

This revised standard allows the alternative treatment of recording non-monetary government grant at nominal amount on initial recognition. FRS 120 is not relevant to the Group and Company's operations as the Group and Company do not have government grants or assistance.

~ IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities.

This interpretation deals with changes in the estimated timing or amount of the outflow of resources required to settle the obligation, or a change in the discount rate. IC 1 is not relevant to the as the Group and Company's operations as the Group and Company do not have such liabilities.

~ IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (effective for accounting periods beginning on or after 1 July 2007).

This interpretation deals with liability or equity classification of financial instruments, which give the holder the right to request redemption, but subject to limits on whether it will be redeemed.

IC 2 is not relevant to the Group and Company's operations as the Company do not have co-operative entities and related instruments.

~ IC Interpretation 5 Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds.

This interpretation deals with accounting by a contributor for its interests arising from decommissioning funds. IC 5 is not relevant to the Group and Company's operations as the Group and Company do not have rehabilitation funds.

~IC Interpretation 6 Liabilities arising from Participating in a Specific Market Waste Electrical and Electronic Equipment.

This interpretation provides guidance on the recognition, in the financial statements of the producers of liabilities for waste management under the European Union Directive in respect of sales of electrical household equipment.

IC 6 is not relevant to the Group and Company's operations as the Group and Company are not involved in waste management operations.

~ IC Interpretation 7 Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies.

2. BASIS OF PREPARATION (contd)

This interpretation provides guidance on how to apply the requirements of FRS 129 in a reporting period in which an entity identifies the existence of hyperinflationary in the economy of its functional currency, when that economy was not hyperinflationary in the prior period.

IC 7 is not relevant to the Group and Company's operations as the Group and Company do not operate in a hyperinflationary economy.

~ IC Interpretation 8 Scope of FRS 2.

This interpretation clarifies that FRS 2 Share-based Payment applies even in the absence of specifically identifiable goods and services.

IC 8 is not relevant to the Group and Company's operations as the Group and Company do not have share-based payment scheme.

Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted.

~ FRS 139 Financial Instruments: Recognition and Measurement (effective date yet to be determined by Malaysian Accounting Standards Board).

This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group and Company will apply this standard when effective.

As allowed under the transitional provision of FRS 139, the Group and Company are exempted from having to disclose the possible impact of the application of the standard on the financial statements of the Group and Company in the year of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

- (a) Subsidiaries and Basis of Consolidation
- (i) Subsidiaries

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(o). On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognized in the income statement.

(ii) Basis of Consolidation

The Group financial statements consolidate the audited financial statements of the parent Company and its subsidiary companies, which have been prepared in accordance with the Group's accounting policies.

Subsidiary companies are consolidated using the acquisition method of accounting from the date on which the control transferred to the Group and are no longer consolidated from the date that control ceases. The gain or loss on



(a) Subsidiaries and Basis of Consolidation (contd)

disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences.

In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full.

(b) Associate

An associate is a company in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investment in associate is stated at cost less impairment losses. Investment in associate is accounted for in the consolidated financial statements by the cost method of accounting. The results of the associate has not been equity accounted.

Details of the associate and the effect on the income statement and investment in associate had the equity method been applied is disclosed in Note 8.

In the Company's separate financial statements, investment in associate is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(o). On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognized in the income statement.

(c) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is computed to write off the cost of the assets over its estimated useful life using the straight-line method. The principal annual rates used are as follows:

Building 2%
Office equipment, equipment tools, motor vehicles, renovations, air conditioners and furniture & fittings 20%
Telephone, facsimiles and computers 33.33%

It is the Company policy to appraise its properties at least once in every five years based on open market value. However, in between the period of appraisal, should the market value of these properties change significantly, appropriate adjustment to the carrying value of the assets will be made. Any surplus arising therefrom will be credited to the revaluation reserve. In the event of deficit it will be charged against that revaluation reserve to the extent of any equivalent previous surplus and the deficit in excess of the amount in the revaluation reserve will be charged to income statement.

(d) Lease and Hire Purchase

(i) Finance lease and hire purchase

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of change on the remaining balance of the obligation for each accounting period.

(d) Lease and Hire Purchase (contd)

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in the accounting policy for property, plant and equipment.

ii) Operating Lease

Operating lease payments are recognised as an expense in the income statement on the straight-line basis over the term of the relevant lease.

iii) Leases of land

Leasehold land that normally has an indefinite economic life and where title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The lump-sum upfront lease payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments and is amortised over the lease term in accordance with the pattern of benefits provided.

The Company had previously classified the prepaid lease payments within its property, plant and equipment. On adoption of FRS 117 Leases, the Company treats such a lease as an operating lease, with the unamortised carrying amount classified as prepaid lease payments.

The Company has previously revalued its leasehold land and has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provisions in FRS 117. Such prepaid lease payments is amortised over the lease term.

(e) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs, less accumulated depreciation and impairment loss. Cost represents the cost for acquisition of investment properties.

Investment properties are derecognised when either they have been disposed of or when the investment is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year in which they arise.

(f) Other Investment

Other investment in unquoted securities are held on a long term basis and are shown at cost unless in the opinion of the Directors there has been a permanent diminution in value, in which case provision is made for the diminution in value.

(g) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand and at banks and deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(h) Receivables

Receivables are carried at anticipated realisation values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at balance sheet date.

(i) Contract work-in-progress

When the outcome of a contract be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total costs incurred on contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(j) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(k) Provision for Liabilities

Provision for liabilities are made when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be recognised to settle the obligation, and when a reliable estimate of the amount can be made.

(I) Income Taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is expected amount of income taxes payable in respect of the taxable profit for the financial year and is measuring using the tax rates that have been enacted at the balance sheet date.

Deferred taxation is provided for using the 'liability' method, on the temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary difference and deferred tax assets are recognised for all deductible temporary difference, unused tax losses and unused tax credits to the extent that it is probable the taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be realized. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(m) Financial Instruments

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item. The carrying value for financial assets and liabilities with tenure to maturity of less than one year are assumed to approximate their fair value.

(n) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction costs is presented as a change in equity. Repurchased shares that have been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statement on the sale, re-issuance or cancellation of treasury shares. When treasury shares are re-issued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

(o) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of the revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(p) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, the Group make contributions to the Employees Provident Fund (EPF). Such contributions are recognised as an expense in the income statement as incurred.

(q) Borrowing Costs

Interest incurred on borrowings related to property development expenditure are capitalised during the year when development of the properties are undertaken. Capitalisation of borrowing costs ceases when the property development has been completed.

(r) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

- i) Revenue from contract works is accounted for by the stage of completion method as described in Note 3(i).
- ii) Revenue relating to sale of goods is recognised upon transfer of risks and rewards.
- iii) Revenue from services rendered is recognised as and when the services are performed.
- iv) Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.
- v) Rental income is recognised on an accrual basis.
- vi) Dividend income is recognised when the right to receive payment is established.
- vii) Management fee is recognised when services are performed.

(s) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

Transactions in foreign currencies during the financial year are converted into Ringgit Malaysia at the rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at the rates of exchange approximating those at that date. All exchange gains or losses are dealt with in the income statement.

(iii) Foreign Operations

The results and financial position of its subsidiary company incorporated in Brunei are translated into the presentation currency at average exchange rates for the financial year and at the closing exchange rate as at balance sheet date respectively.

The principal exchange rates used for every unit of foreign currency ruling at the balance sheet date used are as follows:

	2008 RM	2007 RM
Brunei Dollar	2.407	2.258

4. PROPERTY, PLANT AND EQUIPMENT

	Building	Furniture & fittings RM	Office equipment RM	Renovation	Motor vehicles RM	Equipment tools RM	Gymnasium equipment RM	Total
Group								
Cost/Valuation At 1.7.2007	4,177,000	521,100	4,581,075	1,667,930	3,373,080	984,231	31,170	15,335,586
Additions	,	185,171	596,491	685,200	1,695,764	2,117	1	3,164,743
Disposals	1	1	(33,360)	1	(772,346)	ı	(27,750)	(833,456)
At 30.6.2008	4,177,000	706,271	5,144,206	2,353,130	4,296,498	986,348	3,420	17,666,873
Accumulated Depreciation								
At 1.7.2007	1	479,871	3,226,807	1,346,560	3,371,331	968,561	31,168	9,424,298
Charge for the year	83,540	31,731	612,602	153,858	113,672	6,656	1	1,002,059
Disposal	ı	ı	(4,236)	ı	(772,339)	ı	(27,749)	(804,324)
At 30.6.2008	83,540	511,602	3,835,173	1,500,418	2,712,664	975,217	3,419	9,622,033
Net Book Value								
At 30.6.2008	4,093,460	194,669	1,309,033	852,712	1,583,834	11,131	_	8,044,840
					1	1	(
At 30.6.2007	4,177,000	41,229	1,354,268	321,370	1,749	15,670	2	5,911,288
Depreciation charge for 2007	84,945	23,703	441,946	88,862	49,521	33,334	5,250	727,561

4. PROPERTY, PLANT AND EQUIPMENT

	At 1.7.2007 RM	Additions RM	Disposals RM	At 30.6.2008 RM
COMPANY				
Cost				
Office equipment	900,167	134,583	(3,170)	1,031,580
Renovations	466,795	-	-	466,795
Motor vehicles	158,710	-	-	158,710
Gymnasium equipment	31,170	-	(27,750)	3,420
	1,556,842	134,583	(30,920)	1,660,505
Accumulated Depreciation				
Office equipment	486,141	148,869	(1,192)	633,818
Renovations	256,034	49,040	-	305,074
Motor vehicles	158,709	-	-	158,709
Gymnasium equipment	31,168	-	(27,749)	3,419
	932,052	197,909	(28,941)	1,101,020
Net Book Value				
Office equipment	414,026	(14,286)	(1,978)	397,762
Renovations	210,761	(49,040)	_	161,721
Motor vehicles	1	-	-	1
Gymnasium equipment	2	-	(1)	1
	624,790	(63,326)	(1,979)	559,485

	Company
Depreciation charge for year 2007	RM
Buildings	-
Furniture and fittings	-
Office equipment	128,153
Renovations	49,767
Motor vehicles	-
Equipment tools	-
Gymnasium equipment	5,250
	183,170

On 27 March 2007, the buildings of the subsidiary companies were revalued by an independent professional valuer. Fair value is determined by reference to open market values on an existing use basis. The revaluation surplus of RM427,640 arising from the revaluation of the buildings is credited into the revaluation reserve as disclosed in Note 17.

4. PROPERTY, PLANT AND EQUIPMENT (contd)

Had the revalued buildings been carried at historical cost less accumulated depreciation, the net book value of the buildings that would have been included in the financial statements as at 30 June 2008 would be as follows:

Group

	2008 RM	2007 RM
Buildings	4,788,259	4,851,551

Net book value of property, plant and equipment held under hire purchase arrangements as at 30 June 2008 as disclosed in Note 20 are as follows:

Group

	2008 RM	2007 RM
Motor Vehicles	1,578,774	-

5. PREPAID LAND LEASE PAYMENTS

	2008 RM	2007 RM
At Valuation		
Beginning of the year	8,429,000	-
Transfer from property, plant and equipment	-	8,429,000
End of the year	8,429,000	8,429,000
Accumulated Amortization		
Beginning of the year	-	-
Charge for the year	(95,137)	-
End of the year	(95,137)	-
Net Carrying Amount	8,333,863	8,429,000

The leasehold land has an unexpired lease term of 77 years. On 27 March 2007, the leasehold lands of the subsidiary companies were revalued by an independent professional valuer. Fair value is determined by reference to open market values on an existing use basis. The revaluation surplus of RM797,286 arising from the revaluation is credited into the revaluation reserve as disclosed in Note 17.



6. INVESTMENT PROPERTY

Group

Freehold land at cost	2008 RM	2007 RM
At 1 July	8,645,144	8,645,144
Additions	-	-
Disposals		-
At 30 June	8,645,144	8,645,144

Freehold land has an unlimited useful life and therefore is not depreciated. The net book value of the investment property of the Group pledged for borrowings as disclosed in Note 19 amounted to RM8,645,144 (RM8,645,144 in 2007).

7. INVESTMENT IN SUBSIDIARIES

Company

	2008 RM	2007 RM
Unquoted shares, at cost	56,164,208	56,164,208
LESS: Accumulated Impairment losses	(27,163,474)	(27,163,474
	29,000,734	29,000,734

The details of the subsidiary companies are as follows:

Name of subsidiary	Equity I	nterest	Country of Incorporation	Principal Activities
	2008	2007		
Elitemac Resources Sdn Bhd	100%	100%	Malaysia	Investment holding and provisioning, installation, commissioning, and maintenance of power supply equipment for telecommunication systems. Ceased operations.
Edaran Komputer Sdn Bhd	100%	100%	Malaysia	Provisioning, installation, commissioning, integration and maintenance of information technology products and related services.
SIDIC Technology Sdn Bhd	100%	100%	Malaysia	Technology provider for the smart technology industry.
MIDC Technology Sdn Bhd	100%	100%	Malaysia	Technology provider for the integrated data centre. Dormant.

Name of subsidiary	Equity	Interest	Country of Incorporation	Principal Activities
	2008	2007		
Subsidiary of Elitemac R	esources	Sdn Bl	nd	
Edaran Communications Sdn Bhd	100%	100%	Malaysia	Provisioning, installation, commissioning, integration and maintenance of telecommunication equipment and related services. Ceased operations.
Subsidiary of Edaran Ko	mputer S	dn Bhd	_	
Shinba-Edaran Sdn Bhd **	75%	75%	Brunei	Information technology provider.
** Audited by firm other than F	Parker Ran	dall Mea		1

8. OTHER INVESTMENT

10. CONTRACT WORK-IN-PROGRESS

Contract revenue recognized

Contract cost recognized

Investment in associate in 2007 has been reclassified to other investment to conform with its current presentation as the associate company is under members' voluntary winding up.

9. INVENTORIES

	Gro	oup
	2008 RM	2007 RM
Tools and consumable	16,534	22,634

Group

Company

2007 2007 RM RM Cost 53,688,432 44,936,546 Profit recognized 16,647,355 10,920,054 (62,650,403)Progress billings (50,118,142)7,685,384 5,738,458 Work-in-progress ANALYSIS OF WORK-IN-PROGRESS Amount due from customers 8,738,792 7,337,416 Amount due to customers (1,053,408)(1,598,958)7,685,384 5,738,458

57,234,191

41,976,111

57,265,375

43,146,698

11. TRADE RECEIVABLES

Trade receivables LESS: Provision for doubtful debts

Group		Company
2008 RM	2007 RM	2008 RM
49,120,368	50,292,363	
(33,254,505)	(32,695,018)	-
15,865,863	17,597,345	-

2007 RM

The Group's normal trade credit term ranges from 30 to 90 days. Other credit terms are assessed and approved on a caseby-case basis.

As at balance sheet date, the Group has significant concentration of credit risk in the form of outstanding balances due from 3 (3 in 2007) customers representing 13% (14% in 2007) of total net trade receivables. Included in the total net trade receivables of the Group are debts amounting to RM3,728,349 (RM4,215,323 in 2007) which have been outstanding beyond one year. The Directors, upon assessing the debts, are of the view that these debts are recoverable and that there is no indication to suggest that the debtors are unable to effect settlement. The Company continues to pursue the full recovery of these debts.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Other receivables	462,961	342,005	48,445	43,825
Amount due by related company	268,906	289,906	-	-
Deposits	4,525,310	4,443,166	200	200
Prepayments	468,622	38,014	62,554	6,500
	5,725,799	5,113,091	111,199	50,525
LESS: Provision for doubtful debts	(3,596,917)	(3,596,917)		-
	2,128,882	1,516,174	111,199	50,525

13. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks of the Group amounting to RM8,270,087 (RM7,488,737 in 2007) are pledged to banks for credit facilities granted to certain subsidiaries as referred to Note 19.

The interest rates and average maturities of deposits of the Group as at 30 June 2008 range from 2.60% to 4.44% (2.90% to 3.00% in 2007) per annum and between 21 to 365 days.



14. SHARE CAPITAL

Ordinary shares of RM1 each Authorised

Issued and fully paid

2008	2007
RM	RM

100,000,000 100,000,000

60,000,000 60,000,000

15. SHARE PREMIUM

Balance as at 1 July Sale of treasury shares Balance as at 30 June

2008 RM	2007 RM
8,004,347	8,004,347
18,233	-
8,022,580	8,004,347

16. TREASURY SHARES

At 1 July Purchased Sold At 30 June

2008 RM	2007 RM
470,209	470,209
602,158	-
(26,557)	-
1,045,810	470,209

Group

2008 RM	2007 RM
470,209	470,209
602,158	-
(26,557)	-
1,045,810	470,209

Company

The shareholders of the Company, by ordinary resolution passed in a general meeting held on 22 November 2007, renewed the Company's plan to purchase its own shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the purchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company purchased 1,034,100 of its own shares from the open market at an average price of RM0.578 per share. The total consideration paid for the shares purchased was RM602,158 comprising of consideration paid of RM597,742 and transaction costs of RM4,416. The transactions were financed by internally generated funds. 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 RM0.820 and RM0.426 respectively. The Company also reissued 54,000 treasury shares by resale in the market at an average price of RM0.836. Total consideration received including transaction cost was RM44,790.

Of the total 60,000,000 (60,000,000 in 2007) issued and fully paid ordinary shares as at 30 June 2008, 2,085,000 (1,104,900 in 2007) are held as treasury shares by the Company.

17. REVALUATION RESERVE

GROUP	lease payments RM	Buildings RM	Total RM
At 1 July 2007	797,286	427,640	1,224,926
Revaluation increase	-	-	-
Reversal of impairment loss			
At 30 June 2008	797,286	427,640	1,224,926
At 1 July 2006	-	-	-
Revaluation increase	797,286	797,634	1,594,920
Revaluation decrease	-	(3,561)	(3,561)
Reversal of impairment loss	-	(366,433)	(366,433)
At 30 June 2007	797,286	427,640	1,224,926

18. AMOUNT DUE FROM / TO SUBSIDIARY COMPANIES

The amount due from subsidiary companies bear interest at 4% (4% in 2007) per annum, is unsecured and has no fixed term of repayment.

The amount due to a subsidiary company is interest-free, unsecured and has no fixed term of repayment.

19. BORROWINGS

3. BOINGWINGS	Gro	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM	
Short Term Borrowings					
Term loans	697,770	643,263	-	-	
Trust receipts	2,107,121	3,830,123	-	-	
Hire purchase payable (Note 20)	444,424	1,460	-	-	
	3,249,315	4,474,846	-	-	
Long Term Borrowings					
Term loans	1,060,404	1,784,352	-	-	
Hire purchase payable (Note 20)	907,176	-	-	-	
	1,967,580	1,784,352	-	-	
Total Borrowings					
Term loans	1,758,174	2,427,615	-	-	
Trust receipts	2,107,121	3,830,123	-	-	
Hire purchase payable (Note 20)	1,351,600	1,460	-	-	
	5,216,895	6,259,198	-	-	
Maturity of Borrowings (excluding hire purchase)					
Within one year	2,804,891	4,473,386	-	-	
More than 1 year and less than 2 years	697,770	643,263	-	-	
More than 2 years and less than 5 years	362,634	1,141,089		-	
	3,865,295	6,257,738	-	-	

NOTES TO THE FINANCIAL STATEMENTS

19. BORROWINGS (contd)

The weighted average effective interest rates at the balance sheet date for borrowings, excluding hire purchase payables were as follows:

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Trust receipts	7.80	7.75	-	-
Term loans	7.50	7.50		-

The term loan of the Group is secured by a legal charge over a freehold land of a subsidiary company and a corporate guarantee of the Company.

The other bank borrowings of the Group are secured by way of the following:

- (i) certain fixed deposits of the subsidiary companies as disclosed in Note 13;
- (ii) assignment of contract proceeds of certain subsidiary companies; and
- (iii) corporate guarantee of the Company.

20. HIRE PURCHASE PAYABLES

	Group			Comp	any
	2008 RM	2007 RM		2008 RM	2007 RM
Minimum Lease Payments :					
Not later than one year	317,994	1,460		-	-
More than 1 year and less than 2 years	317,994	-		-	-
More than 2 years and less than 5 years	864,140	-		-	-
	1,500,128	1,460	-	-	-
Less: Future finance charges	(148,528)	-		-	-
Present value of finance lease liabilities	1,351,600	1,460	=	-	-
Present Value Of Finance Lease Liability :					
Not later than one year	429,020	1,460		_	-
More than 1 year and less than 2 years	285,863	_		-	-
More than 2 years and less than 5 years	636,717	-		-	-
	1,351,600	1,460	=	-	-
Analysed As :					
Due within 12 months (Note 19)	444,424	1,460		_	-
Due after 12 months (Note 19)	907,176	-		_	-
. ,	1,351,600	1,460	-	-	-
			=		

The hire purchase payables bear interest at between 4.95% to 9.16% (4.95% to 9.16% in 2007) per annum.

21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days.

22. OTHER PAYABLES AND ACCRUALS

Gro	up	Comp	any
2008 RM	2007 RM	2008 RM	2007 RM
370,782	372,862	11,396	11,396
2,473,644	3,542,744	290,580	429,149
2,844,426	3,915,606	301,976	440,545

23. PROFIT BEFORE TAX

Other payables Accruals

	2008 RM	2007 RM	2008	2007
			RM	RM
After charging / (crediting):				
Audit Fee	44,627	42,100	12,000	12,000
Amortisation of prepaid land lease payments	95,137	110,298	-	-
Employee benefits expense (Note 24)	8,280,650	7,343,696	1,089,107	971,488
Depreciation	1,002,059	727,561	197,909	183,170
Directors' remuneration (Note 25)	874,900	815,350	274,000	218,000
Impairment loss on:				
Other investments	-	1	-	-
Provision for doubtful debts	559,487	500,000	-	-
Rental of premises	219,257	64,541	-	-
Finance costs:				
Bank overdraft interest	5,858	3,986	-	-
Hire purchase interest	19,158	1,448	-	-
Term loan interest	175,719	228,324	-	-
Trust receipts interest	188,542	66,154	-	-
(Gain) / loss on foreign exchange Trade				
and realised	(171,345)	75,700	-	-
Management fee income from:				
Associate	-	(8,000)	-	-
Subsidiaries	-	-	(648,000)	(648,000)
Rental income	(177,200)	(286,000)	-	-
Dividend income	-	-	(2,000,000)	(2,350,000)
Interest income from:				
Deposits with licensed bank	(337,166)	(495,827)	-	-
Subsidiaries	-	-	(588,334)	(471,794)
Write back of impairment loss on property	-	(366,433)		-
Gain on disposal of plant and equipment	(142,158)	(1,499)	(3,630)	-



24. EMPLOYEE BENEFITS EXPENSE

Salaries and bonus EPF contributions SOCSO contributions Other benefits

Group				
2008 RM	2007 RM			
5,770,957	5,457,004			
626,324	542,179			
50,773	43,864			
1,832,596	1,300,649			
8,280,650	7,343,696			

Company					
2008 RM	2007 RM				
770,582	705,057				
81,820	72,312				
7,982	7,594				
228,723	186,525				
1,089,107	971,488				

25. DIRECTORS' REMUNERATION

Directors of the Company Executive Directors

- salaries and others emoluments
- benefits-in-kind

Non-Executive Directors

- fees

Gro	up	Con	npany
2008 RM	2007 RM	2008 RM	2007 RM
644,000	540,000	80,000	-
36,900	57,350	-	-
680,900	597,350	80,000	-
194,000	218,000	194,000	218,000
 194,000	218,000	194,000	218,000
874,900	815,350	274,000	218,000

The number of Directors of the Group whose total remuneration during the year are within the following bands is analysed below:

		Number of Directors					
		2008	2	2007			
	Executive Directors			Non-Executive Directors			
Directors of the Company							
Below RM 50,000	-	6	-	8			
RM 50,000 - RM 100,000	1	-	-	-			
RM 100,001 - RM 150,000	-	-	-	-			
RM 150,001 - RM 200,000	-	-	-	-			
RM 200,001 - RM 250,000	-	-	-	-			
RM 250,001 - RM 300,000	1	-	1	-			
RM 300,001 - RM 350,000	1	-	1	-			

26. INCOME TAX EXPENSE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Income Tax				
Current	-	36,153	268,639	379,528
Tax recoverable arising from dividend income received	(506,333)	-	-	-
Over provision in prior year	(662,108)	-	(349,333)	-
	(1,168,441)	36,153	(80,694)	379,528

As at 30 June 2008, the Group has unutilised business losses of RM16,648,363 (RM20,116,621 in 2007) and unabsorbed capital allowance of RM882,775 (RM781,102 in 2007) respectively to set off against future taxable profits. As at 30 June 2008, the Company has no unutilised business loss and unabsorbed capital allowance to set off against future taxable profits (Nil in 2007).

The tax reconciliation between the effective income tax rate and the statutory tax rate of the Group and the Company are as follows:

Group

Company

	2008 RM	2007 RM	2008 RM	2007 RM
Profit before tax	701,220	1,041,485	859,094	1,408,089
Taxation at statutory tax rate of 20% / 26% Expenses not deductible for tax purposes	588,359 403,084	619,013 452.300	223,364 45,275	379,528
Income not subject to tax	(25,109)	(73,287)	-	-
Effects of tax credit arising from dividend received Over provision of income tax in prior year	(506,333) (662,108)	-	- (349,333)	-
Utilisation of unrecognized tax losses brought forward Deferred tax assets not recognised during the year	(1,124,170) 157,836	(1,171,079) 209.206	-	-
Tax (income) / expense for the year	(1,168,441)	36,153	(80,694)	379,528

27. DEFERRED TAX

The deferred tax assets prior to offsetting are in respect of the following:

	Group		Cor	npany
	2008 RM	2007 RM	2008 RM	2007 RM
Unused tax losses	584,121	652,624		-
Unabsorbed capital allowances		18,949	-	18,949
	584,121	671,573	-	18,949

NOTES TO THE FINANCIAL STATEMENTS

27. DEFERRED TAX (contd)

The deferred tax liabilities prior to offsetting are in respect of the following:

				3
	2008 RM	2007 RM	2008 RM	2007 RM
Revaluation of leasehold land and buildings Capital allowances claimed in excess of	(519,267)	(564,856)	-	-
depreciation	(64,854)	(106,717)	-	(18,949)
	(584,121)	(671,573)	-	(18,949)

Group

Company

Company

Deferred tax assests have not been recognised in respect of the following items:

	G	Group		Company	
	2008 RM	2007 RM		2008 RM	2007 RM
Unused tax losses	3,054,951	4,612,889		-	271,816
Unabsorbed capital allowances	1,199,238	154,268		_	159,011
	4,254,189	4,767,157		_	430,827

The unused tax losses and unabsorbed capital allowance are available indefinitely to set off against future taxable profits of the subsidiaries in which those items arose.

Deferred tax assets have not been recognised because there is no convincing evidence that sufficient taxable profits will be available to set off such unabsorbed tax losses and capital allowance.

28. EARNING PER SHARE

The earning per share is calculated based on the profit attributable to equity holders of the Company of RM1,926,996 (RM1,005,333 in 2007) on the 60,000,000 (60,000,000 in 2007) ordinary shares of RM1 each in issue during the financial year.

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29. CONTINGENT LIABILITIES

	Group		Com	parry
Corporate Guarantees	2008 RM	2007 RM	2008 RM	2007 RM
Corporate guarantee given to banks for credit facilities granted to subsidiaries	_	-	3,865,295	2,427,615
	-	-	3,865,295	2,427,615

30. RELATED PARTY TRANSACTIONS

Transactions between the Group and the Company and related parties during the year are as follows:

	Group		Con	npany
	2008 RM	2007 RM	2008 RM	2007 RM
Insurance premium paid through a company controlled by a director Management fee income from subsidiary	110,979	77,779	2,017	2,465
companies	-	-	648,000	648,000
Management fee income from associate	-	8,000		-
Interest income from subsidiary companies	-	-	588,334	471,794
Dividend income from subsidiary company	-	-	2,000,000	2,350,000

The Directors are of the opinion that these transactions were undertaken at mutually agreed terms between the companies in the normal course of business and the terms and conditions are not materially different from that obtainable in transactions with unrelated parties.

31. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including liquidity risk, credit risk, foreign exchange risk, credit risk, interest risk and cash flow risk. The Group monitors its financial position closely with an objective to minimise potential adverse effects of the financial risk on the financial performance of the Group.

(i) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with short term funding so as to achieve overall cost effectiveness.

(ii) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via group management reporting procedures.

(iii) Foreign Exchange Risk

The Group predominantly operates domestically and is not exposed to material foreign exchange risk.

31. FINANCIAL INSTRUMENTS (contd)

(iv) Interest Rate Risk

The Group's primary interest rate risk relates to interest bearing debt; the Company had no long term interest-bearing assets as at 30 June 2008. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits which yield better returns than cash at bank. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rate of financial assets and liabilities are disclosed in their respective notes.

(v) Fair Values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values.

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

It is not practical to estimate the fair values of the amounts due to / from subsidiaries due principally to a lack of fixed repayment term entered by parties involved and without in curring excessive costs. However, the Company believes that the carrying amount represents the recoverable value.

32. SEGMENT INFORMATION

(a) Business Segments

The Group is organised into 2 major business segments:

(i) Information Technology and Services

Provisioning, installation, commissioning, integration and maintenance of information technology products and related services, and provisioning of technology for the smart technology industry and for the integrated data centre; and

(ii) Telecommunications

Provisioning, installation, commissioning and maintenance of power supply equipment for telecommunication systems and integration and maintenance of telecommunication equipment and related services.

Other business segments include investment holding and property investment, none of which are of a sufficient size to be reported separately.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.



32. SEGMENT INFORMATION (cont'd)

(a) Business Segments (cont'd)

	Information Technology and Services RM	Telecommunications RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	59,416,674	-	-	-	59,416,674
Inter - segment sales		-	2,648,000	(2,648,000)	
Total Revenue	59,416,674	-	2,648,000	(2,648,000)	59,416,674
Results					
Segment results	3,525,675	(703,533)	856,689	(2,588,334)	1,090,497
Profit from operations					1,090,497
Finance costs					(389,277)
Income tax expense					1,168,441
Net profit for the year					1,869,661

	Information Technology and Services	Telecommunications RM	Others	Eliminations RM	Consolidated RM
	RM	KIVI	KIVI	KIVI	KIVI
Assets and liabilities					
Segment assets	55,031,370	38,387,866	56,052,231	(80,003,611)	69,467,856
Segment liabilities	41,105,976	12,106,051	18,479,820	(50,729,372)	20,962,475
Other information					
Capital expenditure	2,234,476	795,684	134,583	-	3,164,743
Amortisation of prepaid land					
lease payments	35,298	59,839	-	-	95,137
Depreciation	716,434	87,715	197,909	-	1,002,058
Non-cash expenses other than					
depreciation and impairment losses	264,911	294,575	-	-	559,486



32. SEGMENT INFORMATION (cont'd)

(a) Business Segments (cont'd)

	Information Technology and Services RM	Telecommunications RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	59,583,144	-	-	-	59,583,144
Inter - segment sales		-	2,998,000	(2,998,000)	-
Total Revenue	59,583,144	-	2,998,000	(2,998,000)	59,583,144
Results					
Segment results	3,323,870	(564,502)	1,403,823	(2,821,794)	1,341,397
Profit from operations					1,341,397
Finance costs					(299,912)
Income tax expense					(36,153)
Net profit for the year					1,005,332

	Information Technology and Services RM	Telecommunications RM	Others RM	Eliminations RM	Consolidated RM
Assets and liabilities					
Segment assets	54,151,296	38,925,779	56,747,352	(79,318,331)	70,506,096
Segment liabilities	41,661,768	12,146,185	18,936,373	(49,961,125)	22,783,201
Other information					
Capital expenditure	663,540	-	624,907	-	1,288,447
Amortisation of prepaid land lease					
payments	35,056	75,242	-	-	110,298
Depreciation	466,491	75,994	185,076	-	727,561
Impairment losses	-	1	-	-	1
Non-cash expenses other than					
depreciation and impairment losse	es 150,000	350,000	173	-	500,173

(b) Geographical Segments

	Malaysia RM	Brunei RM	Consolidated RM
Revenue from external customers			
2008	58,398,182	1,018,492	59,416,674
2007	56,566,174	3,016,970	59,583,144





STATEMENT OF SHAREHOLDINGS

Authorised Capital : RM100,000,000 Issued and Paid-Up Capital : RM 60,000,000

Class of Shares : Ordinary shares of RM1.00 each

Voting Rights : One vote per shareholder on a show of hands

One vote per share on a poll

No. of Shareholders : 1,777

ANALYSIS OF SHAREHOLDINGS

A. Distribution of Shareholdings (as at 30 September 2008)

Size of Shareholdings	Shareholders	Shareholding	%
Less than 100	5	146	0.00
100-1,000	1,174	1,158,300	1.93
1,001 - 10,000	457	1,924,550	3.21
10,001 - 100,000	118	3,587,832	5.98
100,001 to less than 5% of issued shares	19	15,725,169	26.21
5% and above of issued shares	4	37,604,003	62.67
Total	1,777	60,000,000	100

B. List of Thirty (30) Largest Shareholders (as at 30 September 2008)

Names	No. of Shares	%
Kauthar Sdn Bhd	15,769,440	26.28
2. Valiant Chapter Sdn Bhd	14,168,765	23.61
3. Unique Pyramid Sdn Bhd	4,590,136	7.65
4. Initiative Aims Sdn Bhd	3,075,662	5.13
5. Gigantic Talent Sdn Bhd	2,842,700	4.74
6. Shahidan Shafie	2,620,000	4.37
7. Graphics Divine Sdn Bhd	2,201,100	3.67
8. Datuk Mohd Shu'aib Ishak	1,421,428	2.37
9. Rizuwan Mohd Murad	1,300,428	2.17
10. Teh Teaw Kee	710,200	1.18
11. Mazlifah Abdullah	548,800	0.91
12. Power Protection (M) Sdn Bhd	546,000	0.91
13. Mohd Salleh Lamsah	300,028	0.50
14. Fazlan & Amal Sdn Bhd	289,600	0.48
15. Ahmad Yasri Mohd Hashim @ Mohd Hassan	242,385	0.40
16. Kenanga Nominees (Tempatan) Sdn Bhd	196,000	0.33
Pledged Securities Account for Fathiah Abdul Rahman		
17. Affin Nominees (Tempatan) Sdn Bhd	186,000	0.31
Pledged Securities Account for Shiraz Shahidan		

B. List of Thirty (30) Largest Shareholders (as at 30 September 2008) (Contd)

Names	No. of Shares	%
18. Ling Kam Sing	177,400	0.30
19. Chiam Yoke Kee	130,000	0.22
20. TA Nominees (Tempatan) Sdn Bhd	125,700	0.21
Pledged Securities Account for Teh Teaw Kee		
21. Rohana Laksamana	100,000	0.17
22. Saujana Paradigma Sdn Bhd	100,000	0.17
23. Renfield Investment Limited	100,000	0.17
24. Koperasi Jabatan Kastam Malaysia Berhad	100,000	0.17
25. Tan Gaik Suan	97,800	0.16
26. Normah Ali Affandi	92,932	0.15
27. HLB Nominees (Tempatan) Sdn Bhd	81,000	0.14
Pledged Securities for Chin Peng Jin		
28. Kang Swee Huat	77,700	0.13
29. Chia Sun Kia	75,000	0.13
30. Wong Ah Nai @ Wong Yoke Ying	66,000	0.11
TOTAL		

C. Substantial Shareholders (as at 30 September 2008)

(as shown in the Register of Substantial Shareholders)

Names of Substantial Shareholders		No. of Shares Held	%	Notes
1. Tan Sri Dato' Tajudin Ramli	(Direct)	2	0.00	
	(Indirect)	15,769,440	27.23	
	Total	15,769,442	27.23	(a)
2. Kauthar Sdn Bhd		15,769,440	27.23	
3. Valiant Chapter Sdn Bhd		14,168,765	24.46	
4. Unique Pyramid Sdn Bhd		4,590,136	7.93	

⁽a) Tan Sri Dato' Tajudin Ramli is deemed interested in the shares held by Kauthar Sdn Bhd by virtue of his 95% interest therein.

* The computation of the above percentage (%) excludes the Treasury Shares of 2,085,000 held by the Company.



D. Directors' Shareholding (as at 30 September 2008) (as shown in the Register of Directors' Shareholding)

Directors	No. of Shares Held (Direct)	No. of Shares Held (Indirect)	%
1. Tan Sri Dato' Tajudin Ramli	2	15,769,440(a)	27.23
2. Dato' Abdul Halim Abdullah	0	0	0.00
3. Datuk Emam Mohd Haniff Emam Mohd Hussa	ain 0	0	0.00
4. Dato' Abdul Malek Ahmad Shazili	0	0	0.00
5. Dato' Hj Abdul Hamid Mustapha	0	0	0.00
6. Dato' Lim Kheng Yew	0	0	0.00
7. Dato' Bistamam Ramli	0	0	0.00
8. Datuk Mohd Shu'aib Ishak	1,421,428	60,000(c)	2.56
9. Fazlan Azri Tajudin	0	289,600(b)	0.50

Note:

- (a) Tan Sri Dato' Tajudin Ramli is deemed interested in the shares held by Kauthar Sdn Bhd by virtue of his 95% interest therein.
- (b) Fazlan Azri Tajudin is deemed interested in the shares held by Fazlan & Amal Sdn Bhd by virtue of his 25% interest therein.
- (c) Mohd Shu'aib Ishak is deemed interested in the shares held by his wife, Zulriana Zahari.
- * The computation of the above percentage (%) excludes the Treasury Shares of 2,085,000 held by the Company.

E. Directors' Shareholding in Subsidiaries and Associate Companies (as at 30 September 2008)

Dir	ectors	No. of Shares Held (Direct)	No. of Shares Held (Indirect)	%
1.	Tan Sri Dato' Tajudin Ramli Nil	-	-	-
2.	Dato' Abdul Halim Abdullah Nil	-	-	-
3.	Datuk Emam Mohd Haniff Emam Mohd Hussain Nil	-	-	-
4.	Dato' Abdul Malek Ahmad Shazili Nil	-	-	-
5.	Dato' Hj Abdul Hamid Mustapha Nil	-	-	-
6.	Dato' Lim Kheng Yew Nil	-	-	-
7.	Dato' Bistamam Ramli Nil	-	-	-
8.	Datuk Mohd Shu'aib Ishak Nil	-	-	-
9.	Fazlan Azri Tajudin Nil	-	-	-



GROUP PROPERTIES AS AT 30 JUNE 2008

Location	Description/ Current Use of Building	Tenure/ Tenure Period	Year of last Revaluation/ Acquisition	Approximate Age of Building (years)	Building Area/ Land Area (sq. meters)	Net Book Value (RM'000)
HS (D) 7111, Lot No. PT 12138,	Vacant land	Freehold	28 Mar 2007	-	18,704.60	8,645
HS (D) 7112, Lot No. PT 12139 and HS (D) 7113,						
Lot No. PT 12140 Mukim of Dengkil, District of Sepang, Selangor.						
HS (D) 50310, Lot No. PT 1686 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 33 Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse Rented Out: 1. Restaurant Own Occupation: 1. Office space 2. Office space	Leasehold / 99 years expiring on 06.07.2085. Remaining term approximately 77 years	27 Mar 2007	14	1,002.00/ 334.18	2,726
HS (D) 50146, Lot No. PT 1702 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 32 Jalan 1/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse Own Occupation (office space)	Leasehold / 99 years expiring on 06.07.2085. Remaining term approximately 77 years	27 Mar 2007	13	852.02 / 284.18	2,435
HS (D) 50312, Lot No. PT 1866 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 2 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse/ Vacant	Leasehold / 99 years expiring on 07.07.2085. Remaining term approximately 77 years	27 Mar 2007	13	700.11 / 289.82	2,175

GROUP PROPERTIES AS AT 30 JUNE 2008

Location	Description/ Current Use of Building	Tenure/ Tenure Period	Year of Last Revaluation/ Acquisition	Approximate Age of Building (years)	Building Area/ Land Area (sq. meters)	Net Book Value (RM'000)
HS (D) 50313, Lot No. PT 1867 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 4 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse Own Occupation: 1. Office space 2. Office space 3. Office space (vacant)	Leasehold / 99 years expiring on 07.07.2085. Remaining term approximately 77 years	27 Mar 2007	13	443.52 / 163.50	1,211
HS (D) 50314, Lot No. PT 1868 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 6 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse Own Occupation : 1. Office space 2. Office space 3. Office space (vacant)	Leasehold / 99 years expiring on 07.07.2085. Remaining term approximately 77 years	27 Mar 2007	13	443.52 / 163.50	1,211
HS (D) 50137, Lot No. PT 1693 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 19 Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse Own Occupation (office space)	Leasehold / 99 years expiring on 06.07.2085. Remaining term approximately 77 years	27 Mar 2007	14	474.43 / 153.28	1,144

GROUP PROPERTIES AS AT 30 JUNE 2008

Location	Description/ Current Use of Building	Tenure/ Tenure Period	Year of Last Revaluation/ Acquisition	Approximate Age of Building (years)	Building Area/ Land Area (sq. meters)	Net Book Value (RM'000)
HS (D) 50136, Lot No. PT 1692 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 21 Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse Rented Out: 1.Restaurant 2.Office Space 3.Office space	Leasehold / 99 years expiring on 06.07.2085. Remaining term approximately 77 years	27 Mar 2007	14	474.43/ 153.28	1,134
HS (D) 50259, Lot No. PT 1815 Mukim of Ampang, District and State of Wilayah Persekutuan. (No.23-1 First Floor Jalan 5/76B, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse Own Occupation: (Office space)	Leasehold / 99 years expiring on 06.07.2085. Remaining term approximately 77 years	27 Mar 2007	15	153.29/	392

PROXY FORM

EDARAN BERHAD

I/We ___

(Formerly known as Edaran Digital Systems Behad)

Number of shares held : CDS Account No :

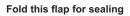
NRIC/Company No. ___

of					
hereby appoint	being a member / member	ers of Ed	aran Berhad		
	NRIC No.				
of					
or in his / her ab	sence, NRIC No				
of					
as my/our proxy Thursday, 27 No 10.00 a.m. and a	r to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of Edara ovember 2008 at Mahkota 3, Ballroom Level, Hotel Istana, 73 Jalan Raja Chulan, 5 t any adjournment thereof.	n Berhad 0200 Kua	to be held on la Lumpur at		
My / Our pr	oxy is to vote as indicated below :				
	RESOLUTIONS	FOR	AGAINST		
RESOLUTION 1	To consider and receive the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2008 together with the Directors' and Auditors' Reports thereon.				
RESOLUTION 2	To declare a first and final dividend of 0.78% less 25% tax in respect of the financial year ended 30 June 2008.				
RESOLUTION 3	To re-elect a Director retiring under Article 101 of the Company's Articles of Association: TAN SRI DATO' TAJUDIN RAMLI				
RESOLUTION 4	To re-elect a Director retiring under Article 101 of the Company's Articles of Association : • DATO' HJ ABDUL HAMID MUSTAPHA				
RESOLUTION 5	To re-elect a Director retiring under Article 102 of the Company's Articles of Association : DATO' LIM KHENG YEW				
RESOLUTION 6	To approve the payment of the Directors' fee for the financial year ended 30 June 2008.				
RESOLUTION 7	To re-appoint Messrs. Parker Randall Mea as Auditors of the Company and to authorise the Directors to fix their remuneration.				
RESOLUTION 8	To give authority to the Directors to issue shares under 132D of the Companies Act, 1965.				
(Please indicate v from voting at his	with an "X" in the spaces provided how you wish to cast your votes. If you do not do so, the Pro/her discretion.)	oxy will vot	e or abstain		
Signed this	day of2008				

Signature of Member / Common Seal

NOTES

- 1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint any person or persons, whether a member or not, as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints two (2) or more proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.
- 2. A proxy need not be a member of the Company. A member may appoint any person to be his/her proxy without limitation.
- 3. A corporation or a corporation sole or a statutory corporation may appoint any person as its representative.
- 4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing and if such appointer is a corporation, corporation sole or a statutory corporation; either under its common seal or the hand of its officers or attorney duly authorised and shall be deposited together with the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof and shall be deposited at the Registered Office, 33-1 Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur not less than forty eight (48) hours before the time for holding of this General Meeting or any adjournment thereof.
- 5. The signature to the instrument appointing the proxy executed outside Malaysia must be attested by a Solicitor, Notary Public, Consul or a Magistrate.



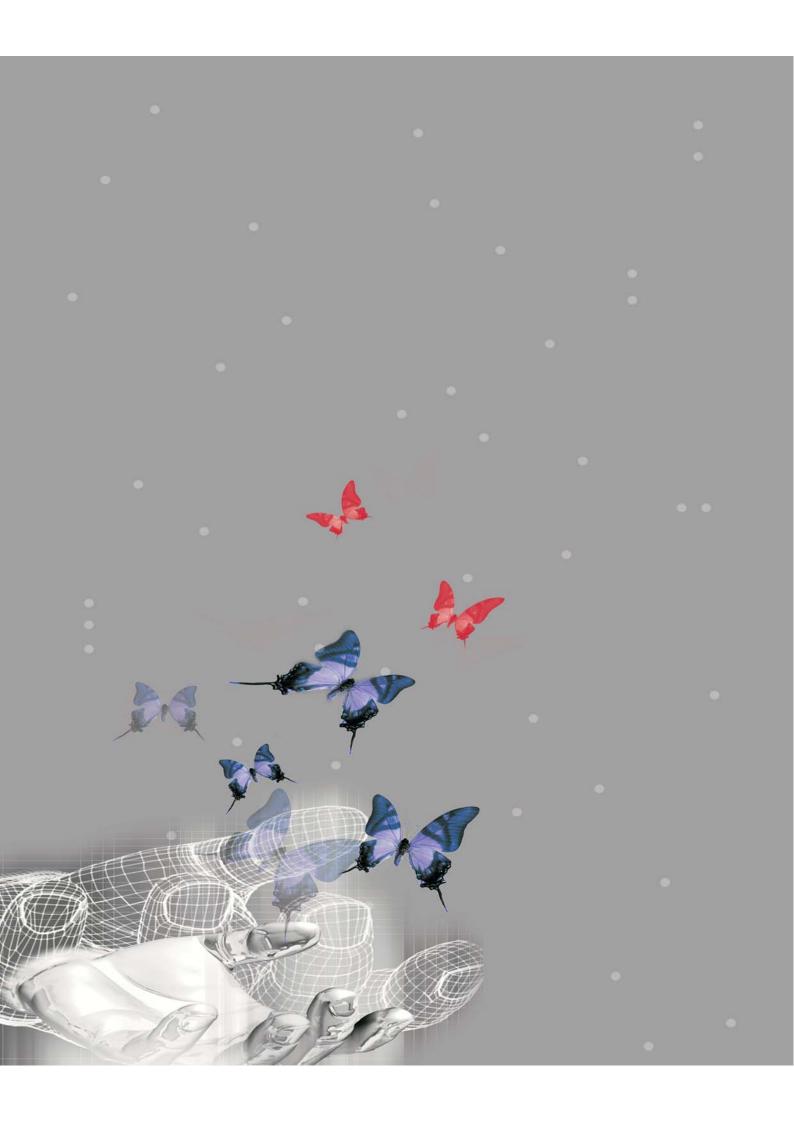
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AFFIX STAMP

THE COMPANY SECRETARY

EDARAN BERHAD (formerly known as Edaran Digital Systems Berhad) No. 33-1 Jalan 2/76C Desa Pandan 55100 Kuala Lumpur

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EDARAN BERHAD (Formerly known as Edaran Digital Systems Berhad) (241644-W)

BUSINESS OFFICE:

32 Jalan 1/76C, Desa Pandan, 55100 Kuala Lumpur, Malaysia.

Tel: +603 9206 7200 Fax: +603 9284 3531

REGISTERED OFFICE:

33 -1 Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur, Malaysia.

Tel: +603 9206 7381 Fax: +603 9283 0192

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