

# annual report

# KNOWLEDGE FOOTE

# TROWLEDGE EDGE

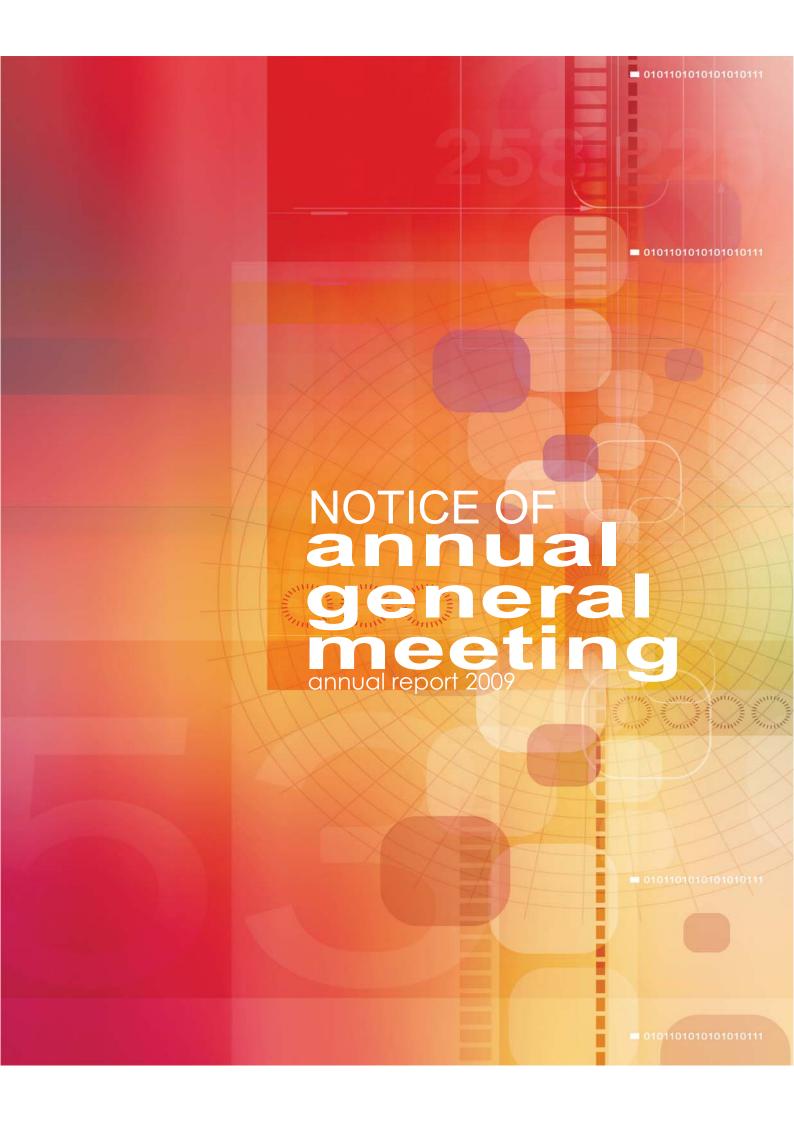
While natural resources, people capital and physical assets used to be the 'drivers' of wealth, organizations are witnessing the rapid replacement of these traditional drivers by intangible assets the most significant of which is 'knowledge stock'.

'Knowledge stock' relates to the reservoir of 'know-how' of an organization; 'know-how' that resides in the minds, talents and skills of its employees and managers. It is manifested in the patents, copyrights, designs and systems created using such talent and skills. Intellectual capital and knowledge are undeniably the new sources of wealth creation.

EDARAN recognizes that as an IT - based company, it sits in the epicenter of knowledge. It realizes that to sustain its progress and to create new wealth, it must first enrich its human resources with new skills, talent and ideas, sharpening therefore the company's competitive edge that is, knowledge.

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# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Seventeenth Annual General Meeting of Edaran Berhad will be held on Thursday, 3 December 2009 at the Mahkota II, BR Level, Hotel Istana Kuala Lumpur, 73 Jalan Raja Chulan, 50200 Kuala Lumpur at 10.00 a.m. to transact the following businesses:

### A. ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2009 together with the Directors' and Auditors' Reports thereon.

2. To declare a First and Final Tax Exempt Dividend of 0.78% per share in respect of the financial year ended 30 June 2009.

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 . Datuk Emam Mohd Haniff Emam Mohd Hussain Resolution 3

ii. Dato' Abdul Malek Ahmad Shazili Resolution 4

iii. Fazlan Azri Tajudin Resolution 5

4. To approve the payment of the Directors' fee for the financial year ended 30 June 2009. Resolution 6

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

# B. SPECIAL BUSINESS

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

"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

7. 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 9 November 2009

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**Resolution 8** 

# NOTICE OF ANNUAL GENERAL MEETING

# **EXPLANATORY NOTE on ITEM 6 of the AGENDA**

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

Ordinary Resolution 8 (under item 6 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 Seventeenth Annual General Meeting, a First and Final Tax Exempt Dividend of 0.78% per share for the year ended 30 June 2009 will be paid on 28 December 2009 to Shareholders whose name appear on the Record of Depositors at the close of Business on 30 November 2009.

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor's Account before 4.00 p.m. on 30 November 2009 in respect of Ordinary Transfer; and
- b. 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 2009 and the attendance of the Directors thereat:-

# 1. Details of Board meetings held during the financial year

Date	Time	Venue
25 Aug 2008	2.00 p.m.	
23 Oct 2008	10.00 a.m.	Board Room,
26 Nov 2008	2.00 p.m.	No. 4 & 6 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur.
25 Feb 2009	10.00 a.m.	
28 May 2009	2.30 p.m.	Board Room, No. 32 Jalan 1/76C, 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	5/5	
Datuk Emam Mohd Haniff Emam Mohd Hussain	30 Oct 2001	5/5	
Dato' Abdul Halim Abdullah	15 Dec 2000	5/5	
Dato' Abdul Malek Ahmad Shazili	06 Nov 2003	5/5	
Dato' Hj Abdul Hamid Mustapha	06 Nov 2003	4/5	
Dato' Lim Kheng Yew	12 Dec 2007	5/5	
Dato' Bistamam Ramli	15 Dec 2000	5/5	
Datuk Mohd Shuʻaib Ishak	15 Dec 2000	5/5	
Encik Fazlan Azri Tajudin	23 May 2006	5/5	

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

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

# DATUK EMAM MOHD HANIFF EMAM MOHD HUSSAIN

Senior Independent, Non-Executive Director

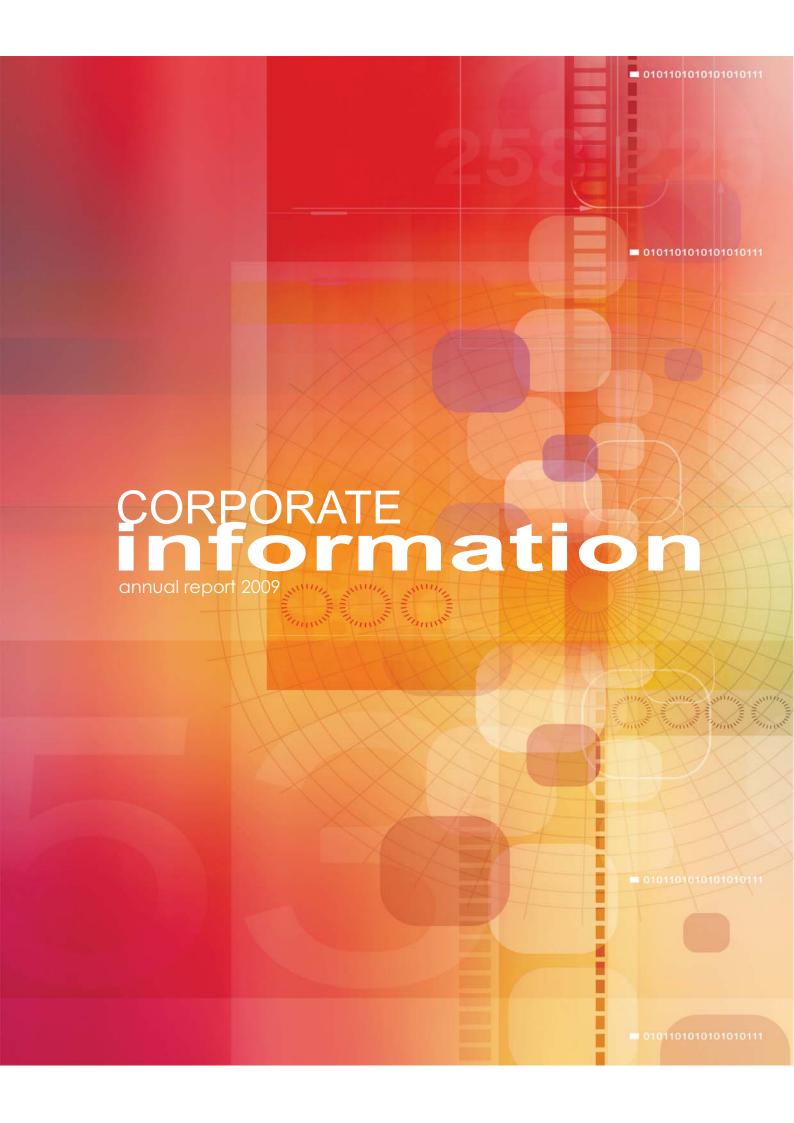
# DATO' ABDUL MALEK AHMAD SHAZILI

Independent, Non-Executive Director

# **FAZLAN AZRI TAJUDIN**

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.



# CORPORATE INFORMATION

# **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' Abdul Malek Ahmad Shazili Independent Non-Executive 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, 46250 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

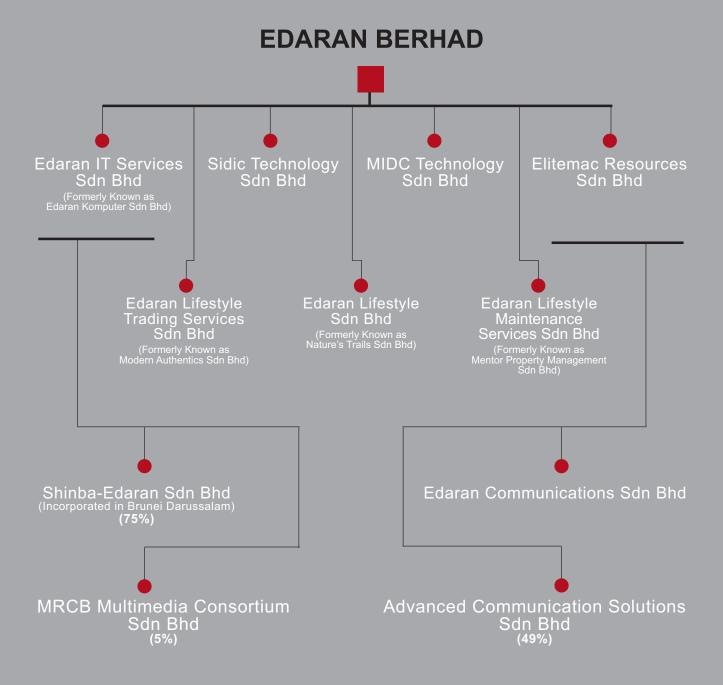
CIMB Bank Berhad

Bank Muamalat Malaysia Berhad

Listing : Main Market

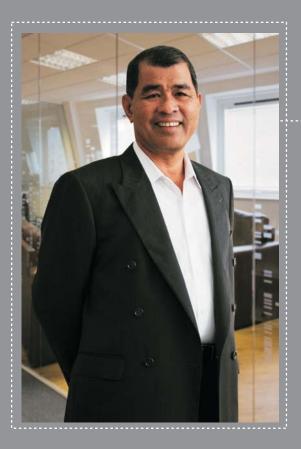
Bursa Malaysia Securities Berhad

# CORPORATE STRUCTURE OF THE EDARAN GROUP



Note: Unless stated, shareholding is 100%





# TAN SRI DATO' TAJUDIN RAMLI

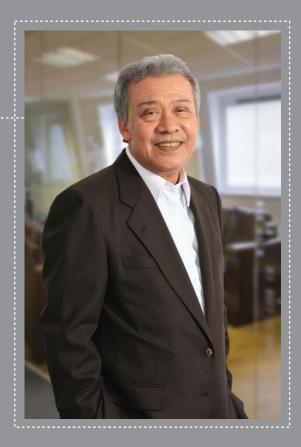
Chairman
Non-Independent Non-Executive Director

Tan Sri Dato' Tajudin Ramli, a Malaysian, was appointed a Director of EDARAN Berhad 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 63, 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 HUSSAIN

Senior Independent Non-Executive Director

Datuk Emam Mohd Haniff Emam Mohd Hussain, a Malaysian, aged 67 was appointed Director of EDARAN Berhad on 30 October 2001. He was subsequently appointed Senior Independent Non-Executive Director and a member of the Audit Committee on 22 August 2002. On 26 November 2008, he was appointed a member of the Nominating Committee. Datuk Emam Mohd Haniff 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 Mohd Haniff 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.



Berhad.



# DATO' ABDUL HALIM ABDULLAH

Independent Non-Executive Director

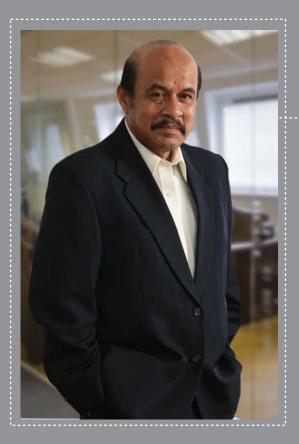
Dato' Abdul Halim Abdullah, a Malaysian, was appointed to the Board of EDARAN Berhad on 15 December 2000. He was appointed Chairman of the Audit and Nominating Committees on 3 October 2001 and was subsequently appointed Chairman of the Remuneration Committee on 27 May 2004. He relinquished his position as Chairman of the Nominating Committee on 26 November 2008. Aged 63, 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 62, was appointed a Director of EDARAN Berhad on 6 November 2003 and was subsequently appointed Chairman of the Risk Management Committee on 27 May 2004. On 26 November 2008, Dato' Abdul Malek was appointed a member of the Audit Committee. 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 its Chief Executive Officer in 2002.





# DATO' HJ ABDUL HAMID MUSTAPHA

Independent Non-Executive Director

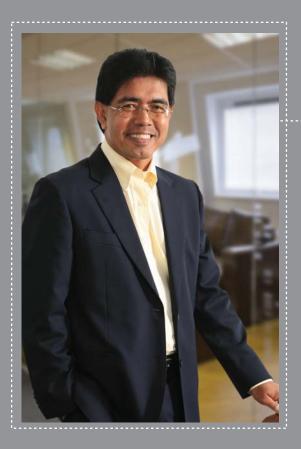
Dato' Hj Abdul Hamid Mustapha, a Malaysian, aged 63, was appointed to the Board of EDARAN Berhad on 6 November 2003 and was subsequently appointed a member of the Remuneration Committee and Nominating Committee on 27 May 2004 and 28 February 2008 respectively. He was appointed Chairman of the Nominating Committee on 26 November 2008. 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 58, a Fellow of the Institute of Chartered Accountants in England and Wales, was appointed to the Board of EDARAN Berhad on 12 December 2007 and appointed a member of the Audit Committee on the same date. He was subsequently appointed a member of the Nominating Committee and Remuneration Committee on 28 February 2008. He started his career with international accounting firms in London and Kuala Lumpur. Presently, Dato' Lim 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 Berhad on 15 December 2000. He was subsequently appointed a member of the Audit Committee on 15 August 2001 until 26 November 2008. On 1 June 2004, he was appointed the Managing Director of EDARAN Berhad and Chief Executive Officer of Edaran IT Services Sdn Bhd. Dato' Bistamam also sits on the Board of Remuneration and Risk Management Committees. Aged 47, 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 50, was appointed the Executive Director of EDARAN Berhad 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.

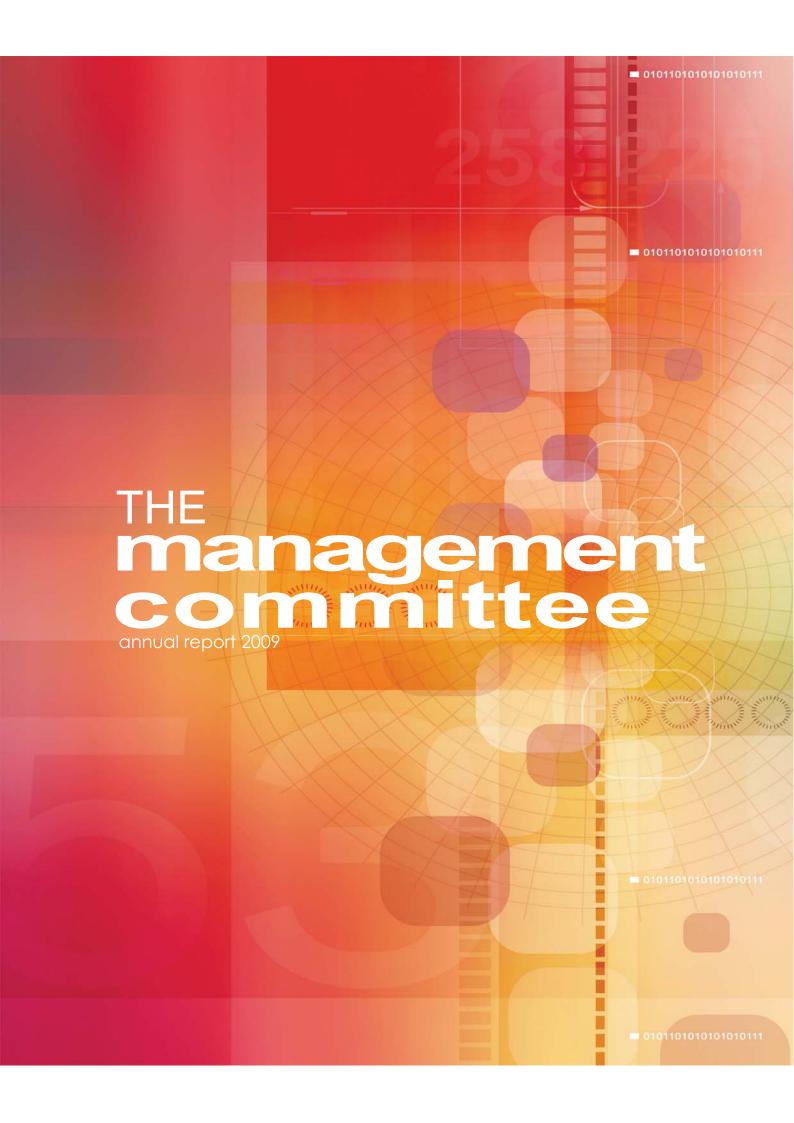




# FAZLAN AZRI TAJUDIN

Executive Director

Fazlan Azri Tajudin, aged 34, was appointed to the Board of EDARAN Berhad 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.











# MESSAGE FROM THE CHAIRMAN

"...we are convinced that businesses are hard pressed to survive the onslaught of unexpected crises unless their resources are quickly renewable and regenerable,"

# VALUED SHAREHOLDERS AND PARTNERS,

It is an honour once again to present to you the Annual Report of EDARAN Berhad.

# FINANCIAL PERFORMANCE

I am delighted to share that despite the gloom of the global financial meltdown, EDARAN has managed to sustain revenue and profits at an acceptable level. Nevertheless the overall performance of the Group has been affected by the cutbacks in spending in the area of information technology within Malaysia and throughout the world. For the year ended 30 June 2009, the Group recorded total revenue of RM 76.83 million up 29% from a revenue of RM 59.42 million in 2008. The increase in revenue was due in part to a higher volume of contracts secured during the year in review. While revenue increased, the Company recorded lower profit margins. Earnings per share dropped to 0.43 sen per share from 3.21 sen in the last financial year.



# MESSAGE FROM THE CHAIRMAN

# MEETING THE CHALLENGE OF THE GLOBAL FINANCIAL MELTDOWN

Business and life in general, has felt the lash of the financial crisis that began in the USA and swept quickly across the globe. Companies throughout the world have been scathed by the meltdown and EDARAN has not been spared. Indeed, the IT sector has been one of the first few industries to feel the budget cut-backs.

At the onset of the world crisis we put our minds together to seek and innovate ways of sustaining our business. The pooling of talent, resources and knowledge is one of the many measures we will adopt and continue to

implication of the knowledge economy is that there is no alternative way to prosperity than to make learning and knowledge creation of prime importance. Today, the generation and application of knowledge will play the predominant role in wealth creation. At EDARAN, we define wealth not only in terms of absolute material wealth but also in the larger sense of non-physical wealth such as company and personal growth, experience, foresight and expertise. Knowledge and the use of knowledge as such will give businesses the only real competitive edge.

We will continue to improve our competencies through smart alliances with other knowledge driven businesses

The pooling of talent, resources and knowledge is one of the many measures we will adopt and continue to adopt to improve our performance. By pooling talent and resources, we shall be able to expand our knowledge and resource base, open avenues into new business activities and offer a wider scope of services to our customers.

adopt to improve our performance. By pooling talent and resources, we shall be able to expand our knowledge and resource base, open avenues into new business activities and offer a wider scope of services to our customers.

# THE AGE OF THE KNOWLEDGE ECONOMY

In the wake of the financial meltdown, we are all the more convinced that businesses are hard pressed to survive the onslaught of unexpected crises unless their resources are quickly renewable and regenerable. Wisdom that stems from experience tells us that companies do not have a fail proof safety net in their reserves of tangible assets such as physical buildings, equipment and hardware. In the new economic order,

this reliance is quickly shifting to more intangible assets, the most critical of which is intellectual capital; and intellectual capital, fortunately, is one that is regenerable. The

and knowledge partners. Our programmes with vendor partners such as Microsoft take on an increased relevance and we will push our competency levels further up the curve. We will optimise opportunities to improve our position in the market through our affiliations with knowledge centred agencies such as MDeC. Our training programmes to enhance the technological knowledge and skill sets of our engineers will take on even greater priority.

# TAPPING INTO THE ENABLING POWER OF INFORMATION TECHNOLOGY

EDARAN recognises that as a company whose core activities engage the power of IT, we are virtually at the epicenter of knowledge; an environment characterised by information, software and technology solutions. While IT by itself cannot create transformations in society, it plays a pivotal role as an enabler and facilitator of change. IT has the ability to release the creative potential and knowledge embodied in people and organisations. Thus,



as a company involved in IT, we recognise the significance of our role in the knowledge economy; as an IT company, we hold the key to unlocking new potential and new capabilities. We will strive to optimise this privileged position to lead innovation and spur growth within our own sphere as well as within sectors we serve.

# HIGHER VALUE SERVICES

We recognise our role in bringing value to society. Stepping beyond our traditional role of merely providing IT solutions and installing systems to improve the operational efficiencies of our customers, EDARAN is now focusing on the provision of higher value services

-body, mind and soul.

We have continued to provide the opportunity for human growth and development through our chosen sport of endurance riding, a sport that not only develops discipline and strength of character but reinforces human values, an awareness and respect for animals and the environment. The Edaran Endurance Classic 2009 was once again successfully held from 22 -24 May at the Terengganu International Endurance Park and recorded the highest number of participants in the seven years run of the event.

...EDARAN is now focusing on the provision of higher value services which emphasize our capabilities to unlock the latent potential of our customers. EDARAN has thus begun to apply itself as a knowledge partner to its customers, helping our customers realize and tap into their own knowledge stores to generate more value.

which emphasise our capabilities to unlock the latent potential of our customers. EDARAN has thus begun to apply itself as a knowledge partner to its customers, helping them to realise and tap into their own knowledge stores to generate greater value. We do this by becoming more acquainted with and knowledgeable of our customers data and information resources and then, by working with them to apply their reserve of knowledge to extract further benefits.

# AN ON-GOING CORPORATE SOCIAL RESPONSIBILITY

In the midst of facing up to the challenges of the year, we have not forgotten our responsibility to the society, our community and the environment. As we have always maintained, the commitment towards corporate social responsibility runs deep in the veins of the company and has become an integral part of our business activities. Indeed, at EDARAN we deem it important that our efforts in social responsibility be targeted at the human person. We believe in the total development of the person,

On another front, EDARAN's Internship Programme is a programme that has been adopted to give undergraduates and individuals not merely exposure to the corporate work environment but also an opportunity for personal development. It is our hope that while these individuals undergo an internship programme, applying their knowledge and skills to actual work situations, they will also pick up good work ethics such as integrity, perseverance, diligence and other positive values at EDARAN. We believe that whether they remain to serve the company or not is not as important as their becoming better persons and useful, responsible citizens.

# REDEFINING THE QUALITY OF LIFE

We have expanded into a new area of business following our vision and goal to broaden the Group's scope of activities. Lifestyle development is a wide and encompassing area and we recognise that as populations around the world become more knowledgeable and



# MESSAGE FROM THE CHAIRMAN

sophisticated, demand for lifestyle services and products will similarly become more sophisticated. While life per se remains unchanged, lifestyle trends will continue to change, creating new needs and new demands. We realise that the potential in this business area will only keep growing.

Our lifestyle business activities will endeavour to bring experiences, products and services that bring long term benefits to the markets and communities we serve. As with our other business activities, our lifestyle business initiatives will be knowledge-driven with a keen focus on product and service innovations that meet the demands of an informed knowledge society. We will strive to offer lifestyle products and experiences that will ultimately enhance the quality of life.

The Group has set up three new companies namely Edaran Lifestyle Sdn Bhd, Edaran Lifestyle Trading Services Sdn Bhd and Edaran Lifestyle Maintenance Services Sdn Bhd to adequately tap the burgeoning opportunities in the area of lifestyle development. We see the opportunity to maximise the synergies and cross sellable services among the three entities and thus the ability to collectively deliver superior products and services in the lifestyle sector.

# MOVING FORWARD

As the adage goes, crises has the ability to draw out the better qualities of individuals or an organisation. Crises jolt dulled minds, push us to rethink, reassess and recreate. Crises lead to fresh possibilities. Therefore, as we work through this challenging period of a slowdown, we have chosen to regard this time as an invaluable opportunity to review ourselves, work on our areas of lack, consolidate our resources and strengthen relationships with our customers and business partners. We will expend more time to improve upon the quality of our products and services because quality service basically derives from spending quality time on our customers. We will seek to better understand our customers' needs in

this time of constraint and tailor services that meet their prudent budgets without compromising on quality. As we do that, we will strive to become more strategic and creative in our services. We remain optimistic about the future. We recognise opportunities in areas that we can explore leveraging on our resources, experience and IT know-how, while continuing to keep a sharp eye on new IT technologies. Indeed we are conscious of the need to constantly renew and reinvent ourselves to become more essential and pertinent to the market.

# **APPRECIATION**

It has been a challenging year for businesses. We are thankful that EDARAN has held up to the challenges that came with the financial meltdown. For that I wish to express my appreciation and heartfelt thanks to all who have stood by the company and given it their best support, contribution and encouragement.

To our valued customers, thank you for your continued faith and support in us. You give us the reason to become better in our endeavour to serve you.

On behalf of the Staff, the Management and the Board of Directors, I wish to record my deepest appreciation to our partners, financiers and shareholders who have placed their trust in us. Your support has given us the strength to sustain the company's performance and the zeal to do better.

Last but not least, I wish to thank every single member of the staff whose hopes, ambitions, loyalty and dedication constitute the very catalyst for the company's progress. Thank you and my deepest appreciation to you.







# **REVIEW OF OPERATIONS**

# ABOUT THE GROUP

Over the past 20 years EDARAN has been gradually building itself into an entity to be reckoned with in the IT industry. Since its establishment in 1992, the company's mission to help create a progressive Malaysian society using the applications of IT has never wavered. One of the company's more notable programmes towards that end has been the installation and

...the Group's business activities are premised on the platform of knowledge and the intelligent application of knowledge to extract the highest value and the greatest benefits of an activity. For as long as we recognise that 'knowledge' is the key to progress, it will remain the true competitive edge for the Group.

setting up of the information system of the Royal Malaysian Customs (Kastam Diraja Malaysia [KDRM]). Till today the 'Sistem Maklumat Kastam' serves as KDRM's backbone information system that plays a crucial and key role at all entry points of the country. Applying its IT expertise to both the private and public sectors, EDARAN continues to enhance the IT environment of organisations improving their overall efficiencies and productivity.

Today EDARAN is synonymous with IT services and solutions that are tailored to meet the complex and varying needs of the corporate and commercial environment. Our past achievements over the last 20 years have led to strong fundamentals and our prudent and sound management style has allowed the company to explore new business areas and non traditional market sectors. Understanding that change is the only constant, a fact most evident in the perpetually evolving industry of IT, EDARAN has been mindful of the need to continually reinvent itself to remain relevant to the market and profitable for its shareholders.

# A COMPANY PREMISED ON KNOWLEDGE

The company made a conscious decision in 2007 to broaden its scope of business, leveraging on its core competencies and substantial expertise and resources in IT. EDARAN has since identified a few key business areas that will constitute its potential mix of business activities. Among these are the lifestyle development activities, the socio economic businesses and logistics operations. EDARAN recognises that the highest potential of these areas can be tapped by the introduction and application of enabling IT solutions. More significantly the Group's business activities are premised on the platform of knowledge and the intelligent application of knowledge to extract the highest value and the greatest benefits of an activity. For as long as we recognise that 'knowledge' is the key to progress, it will remain the true competitive edge for the Group.

# A COMPANY OF VALUE, NOT MERELY A COMPANY OF SUCCESS

'Values' and 'success', in the books of EDARAN are not mutually exclusive. EDARAN has always been mindful that unless it inculcates the practice of good work ethics and principles in its business activities, the company may inadvertently compromise on values in its pursuit of success. EDARAN thus remains guided by its core principles of Gratitude (Syukur), Honour (Amanah), Integrity (Ikhlas) and Discipline (Disiplin), principles which spell an underlying respect for our fellow human beings, the environment we live in and a responsibility for all our actions. EDARAN continually seeks to bring the greatest good to the largest number of people through its business activities. Beginning with the development of human talent within the Group itself to the provision of quality products and dependable, reliable services to customers, EDARAN strives to practice solidarity with the immediate communities it serves and with the larger society of this world.

# IT DIVISION

The provision of IT services and solutions continues to be the core activity of the Group. The Group's three main subsidiaries, namely, Edaran IT Services Sdn Bhd which was formerly known as Edaran Komputer Sdn Bhd, Shinba-Edaran Sdn Bhd, the Group's regional arm based in Brunei Darussalam and SIDIC Technology Sdn Bhd, the smart technology arm of the Division are focused on the provision of a full gamut of IT services and smart solutions.

# **REVIEW OF OPERATIONS**

Edaran's IT division anticipates that as organisations and businesses progress from an operational environment to a management environment, they will require more accurate forecasting and more reliable decision making tools. Recognising these pertinent needs of customers, Edaran's IT division has identified various solutions and services offerings in the areas of Business Intelligence, Data Mining, Key Performance Indicators as well as Forecasting and Budgeting. These IT solutions will enable customers to make precise, timely and informed decisions. The IT division has also invested heavily in training its human resources to hone their skills in these areas. Integral to their professional training is the goal of obtaining internationally accepted certifications.

...Edaran's IT division has identified various solution and services offerings in the areas of Business Intelligence, Data Mining, Key Performance Indicators as well as Forecasting and Budgeting.

Edaran's IT division believes that its solutions offerings coupled with high value added knowledge-based services will enable the company to provide a wider range of services not only to existing customers but also to new markets locally and internationally.

The IT division has expanded its support presence and is now represented by a services support centre in every state across the nation. This nationwide presence effectively increases the Division's response and support levels to key customers such as KDRM, the Ministry of Health and UiTM which require nationwide support.

Edaran IT Services Sdn Bhd has managed to secure new customers such as Petronas , Jabatan Pendaftaran Negara and MyIPO. To these customers, Edaran IT Services Sdn Bhd provides crucial and much needed IT solutions to counter data leakage as well as solutions such as RFID, library systems and trademark search systems to enable its customers to improve the efficiency of their existing operations and in turn provide better service to their own customers and users. In addition, Edaran IT Services Sdn Bhd continually provides high levels of support to all its customers.

The Division's close attention to customers has led to Edaran IT Services Sdn Bhd securing new projects such as the multi-OS server upgrade and nationwide maintenance for KDRM. Edaran IT Services Sdn Bhd also provides maintenance service to the Ministry of Health and Pembangunan Sumber Manusia Berhad (PSMB). Apart from the provision of maintenance services to the Ministry of Health and PSMB, Edaran IT Services Sdn Bhd has also undertaken projects on software development for the Ministry. This reflects the growing diversification of the IT Division's capabilities not only in hardware maintenance but also in software application delivery.

The IT division has also set up an Innovation centre in Cyberjaya where the R&D efforts will be channeled to provide innovative solutions that can be brought to the market place. The IT division will also be focusing on developing solutions which optimise its own knowledge repositories as well as that of its customers. An equally significant focus of the IT Division is on building capabilities to implement solutions that can pan out into various effective IT-based services. This is in line with the Division's objective of moving towards a more service centric business.

# LIFESTYLE DIVISION

Lifestyle is an area that the Group targets as the next launchpad of the company's growth. As societies around the world develop into more sophisticated and knowledgeable communities, as people within this one connected and globalised world become more concerned with the quality of their lives, demand for lifestyle experiences, services and products will accordingly increase and become more sophisticated. Progressive lifestyle trends will continue to influence the way people think, make choices

...the Lifestyle Division will seek to create and bring unique experiences, products and services that will appeal to markets that appreciate value, quality and beauty.

about their lifestyle, where they wish to stay, the things they buy and the services they use.

EDARAN recognises the tremendous potential in this industry and sees the opportunity to set new trends and new standards

# **REVIEW OF OPERATIONS**

in lifestyle. Since the Division was formed, it has been actively studying various aspects of the lifestyle industry, exploring fresh opportunities within this wide and encompassing sector. Leveraging on the Group's resources and IT expertise, the Lifestyle division will seek to create and bring unique experiences, products and services that will appeal to markets that appreciate value, quality and beauty. Ultimately the goal is to redefine 'quality of life' as that which is not merely defined by physical surroundings and modern gadgets in our habitats but also by the intangible experiences and effects on our lives.

The Group has established three new subsidiaries committed to building up the lifestyle businesses of the Group. Edaran Lifestyle Sdn Bhd, Edaran Lifestyle Maintenance Services Sdn Bhd and Edaran Lifestyle Trading Services Sdn Bhd will be respectively equipped with the expertise, skill sets and resources to tap opportunities opening up within the country, the region and around the world.

Since the establishment of the Lifestyle division, the thrust of its activities has been to source opportunities that will help its mission of enhancing lifestyles and the quality of life. For the immediate term, the Division believes that its activities can be best experienced through special projects that will bring improvements and long term benefits to communities. Its initial efforts have thus been to seek out effective platforms to touch the lives of communities.

In its early reconnaissance and exploratory work, the Division realised that abundant opportunities reside in the wealth of our country's offerings of natural beauty, heritage, culture and the indigenuos lifestyles of the people. One of Edaran Lifestyle's programme will thus involve these natural and inherent offerings of the country, enhancing and making them part of beautiful and unforgettable experiences for those who appreciate beauty, value and culture .

Edaran Lifestyle also recognises the fact that for any project to be appealing and worth the effort, it has to be unique, large in stature and memorable. Edaran Lifestyle will work in collaboration with organisations, both public and private, that share the same vision and values with regard to lifestyle development. The Division will optimise the Group's good relations with the government sector to develop mutually

beneficial propositions in the area of special events and state projects.

Moving forward, the Division is looking at larger scale projects which include organising long running national and international events through which it can offer its entire menu of lifestyle services and products including logistics and maintenance services.

...the goal is to redefine 'quality of life' as that which is not merely defined by physical surroundings and modern gadgets in our habitats but also by the intangible experiences and effects on our lives...



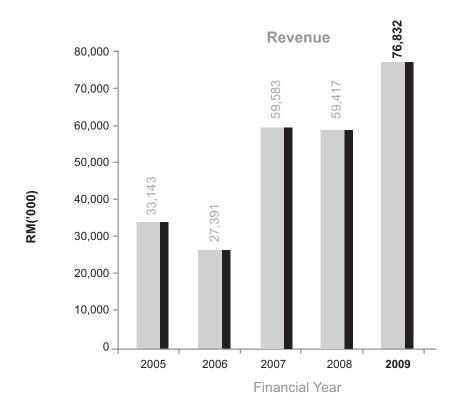


# FINANCIAL HIGHLIGHTS

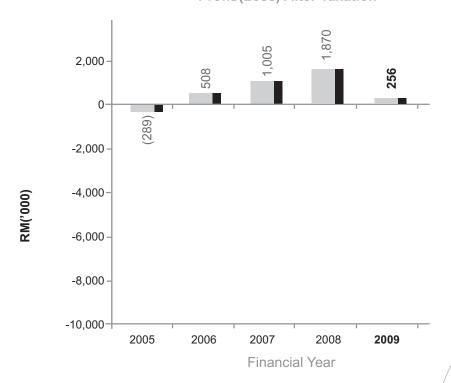
# Five Years Group Financial Highlights

	2009 (RM'000)	2008 (RM'000)	2007 (RM'000)	2006 (RM'000)	2005 (RM'000)	
INCOME STATEMENT						
REVENUE	76,832	59,417	59,583	27,391	33,143	
Profit/(Loss) before taxation	103	701	1,041	508	(25)	
Taxation	153	1,169	(36)	-	(38)	
Profit/(Loss) after taxation	256	1,870	1,005	508	(289)	
Net Earnings/(Loss) per share (sen)	0.43	3.21	1.68	0.85	(0.48)	
BALANCE SHEET						
Shareholders' Fund	48,394	48,505	47,723	45,963	45,455	
Net Current Assets	23,667	25,378	26,451	27,397	27,047	
Total Assets	77,110	69,468	70,506	61,136	63,226	
Long Term Debts	1,967	1,967	1,784	2,453	3,121	
Net Assets per share (sen)	0.81	0.81	0.80	0.77	0.76	

# FINANCIAL HIGHLIGHTS

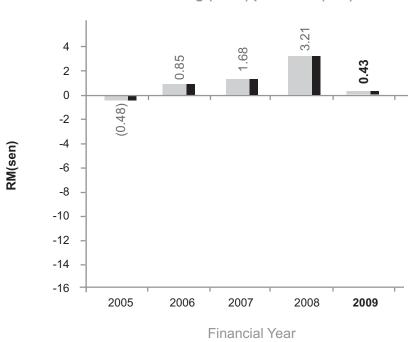


# **Profit/(Loss) After Taxation**

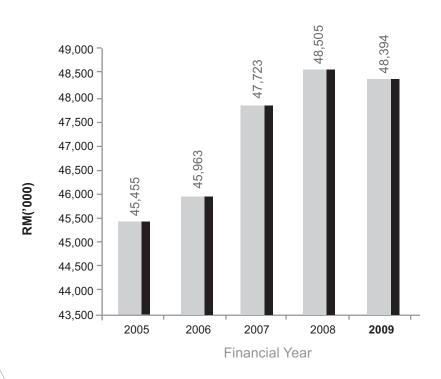


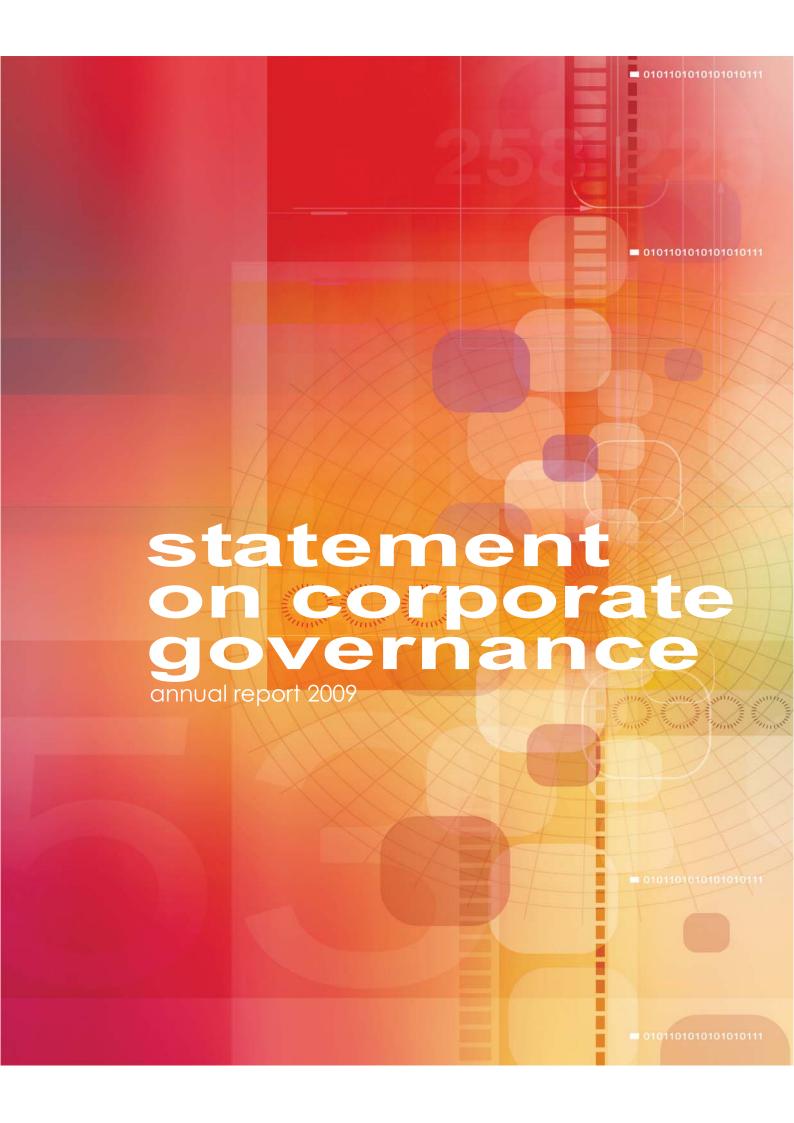
# FINANCIAL HIGHLIGHTS

# Net Earning/(Loss) per share (sen)



# Shareholders' Fund





# STATEMENT ON CORPORATE GOVERNANCE

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 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 is in full compliance with the above Principles and Best Practises and 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, fulfill 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 2009, the Board held five meetings. All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the Bursa Securities Main Market Listing Requirements. 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 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' Hj Abdul Hamid Mustapha

Members : Datuk Emam Mohd Haniff Emam Mohd Hussain

Dato' Abdul Halim Abdullah

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.
- Review the Board structure and balance of appointments between Executive and Non-Executive Directors.

# STATEMENT ON CORPORATE GOVERNANCE

- 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. The Directors continue to attend relevant training programmes to keep them abreast with the development and to equip themselves with the knowledge to effectively discharge their duties.

In light of the imminent impact of the global economic crisis sparked off by the financial meltdown in the USA, an in-house seminar was held on 08 January 2009. The seminar was attended by all Directors. The main objective of the seminar was to initiate a dynamic exchange of views, ideas and strategies that will help the Group sustain itself through the duration of a global economic crisis. Subsequently, the Directors continued to deliberate on those issues at the Board of Directors meeting. Some Directors had also participated in other seminars and programmes apart from the aforementioned seminar.

# 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 24 of the Financial Statements.

# STATEMENT ON CORPORATE GOVERNANCE

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. 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.

The Group's website, **www.edaran.com** is accessible for the shareholders, investors and members of the public to obtain information on Group's announcements, corporate information, operational updates and financial performance.

# 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.

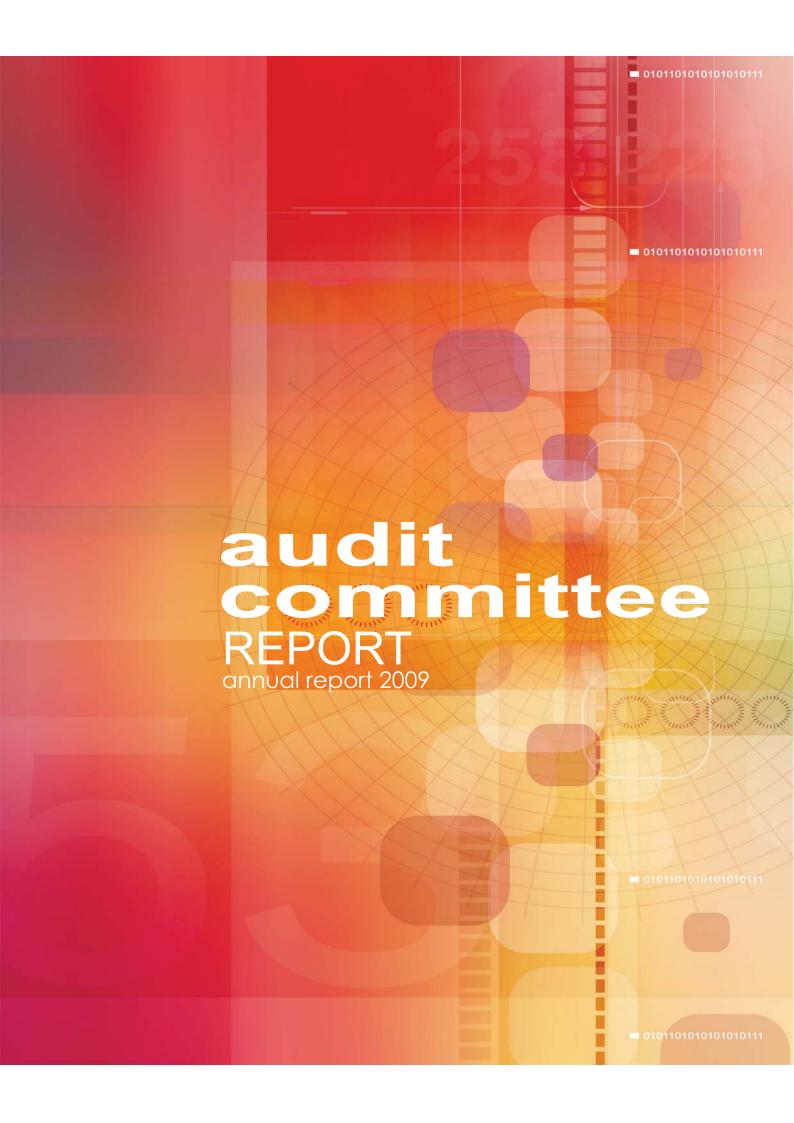
# **Internal Controls**

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.

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# **AUDIT COMMITTEE REPORT**

#### 1. MEMBERSHIP AND ATTENDANCE

The Audit Committee members were appointed by the Board of Directors and consist of not less than three members at all time. All members are Non-Executive Directors with majority of them are Independent Directors. At least one member is a member of the Malaysian Institute of Accountants or otherwise fulfills the criteria set out in paragraph 15.9(1c) of the Bursa Securities Main Market Listing Requirements. No alternate Director is appointed as a member of the Audit Committee. The Chairman of the Audit Committee who is an Independent, Non-Executive Director was elected amongst the members themselves.

The Audit Committee comprises of the following members and the details of attendance of each member at committee meetings held during the financial year 2009 are as follows:

Members	Attendance at Meetings
Dato' Abdul Halim Abdullah Chairman / Independent, Non-Executive Director	6 of 6
Datuk Emam Mohd Haniff Emam Mohd Hussain Member / Senior Independent, Non-Executive Director	6 of 6
Dato' Lim Kheng Yew Member / Independent, Non-Executive Director	6 of 6
Dato' Abdul Malek Ahmad Shaz Member / Independent, Non-Executive Director	z <b>ili*</b> 3 of 3
Dato' Bistamam Ramli** Member / Managing Director	3 of 3

<sup>\*</sup>Dato' Abdul Malek Ahmad Shazili was appointed member of the Committee on 26 November 2008

# 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 briefed 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 including the decisions and recommendations made.

# 3. SUMMARY OF ACTIVITIES

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

Meeting No.	Date	Time
03-08	25 August 2008	10.00 a.m
04-08	22 October 2008	10.00 a.m
05-08	26 November 2008	10.00 a.m
01-09	24 February 2009	10.00 a.m
02-09	27 May 2009	10.00 a.m
03-09	24 June 2009	10.00 a.m

The Head of Internal Audit normally attends 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.
- Reviewed the draft audited financial statements for the financial year ended 30 June 2008.
- Reviewed the draft announcements to the Bursa Malaysia Securities Berhad on the quarterly report of the Group for the financial quarters ended 30 June 2008, 30 September 2008, 31 December 2008 and 31 March 2009.

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<sup>\*\*</sup>Dato' Bistamam Ramli ceased to be a member of the Committee on 26 November 2008

# **AUDIT COMMITTEE REPORT**

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. 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.

# **AUDIT COMMITTEE REPORT**

- 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 Main Market 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 Group must fill the vacancy within three months.

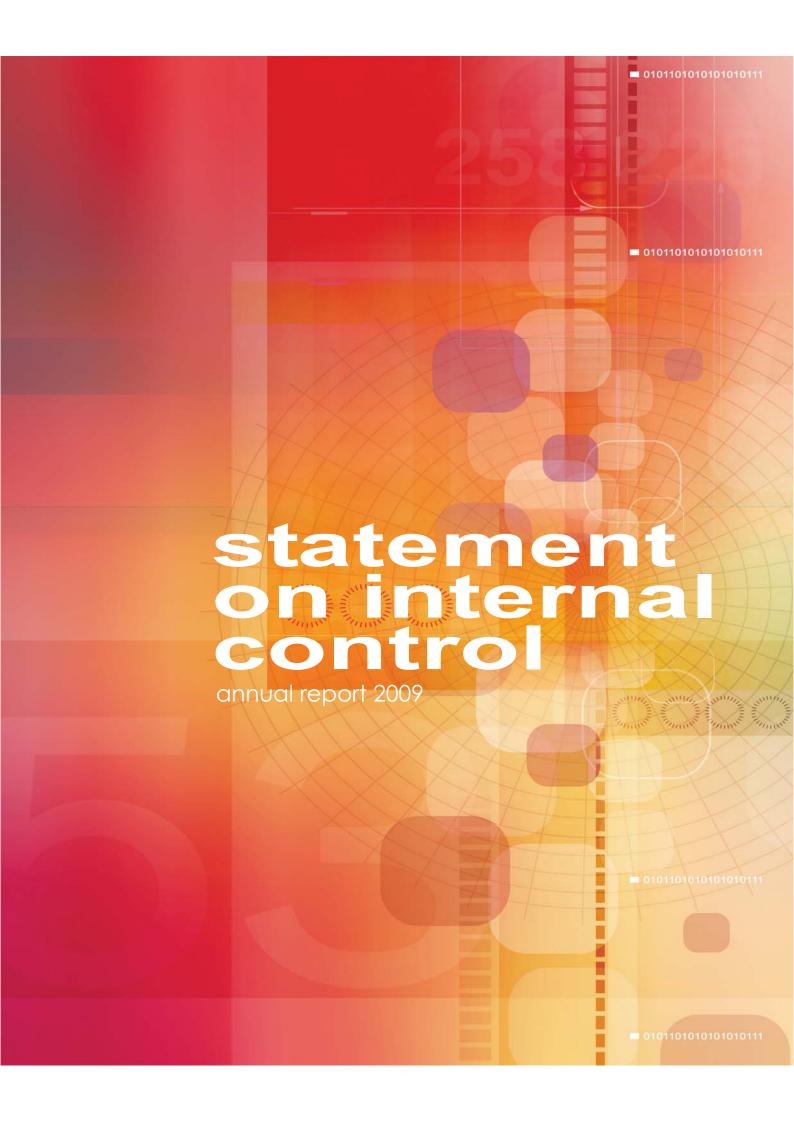
# 5. INTERNAL AUDIT FUNCTION

The Group has established an in-house Internal Audit to assist the Audit Committee to oversee that the Management has in place a sound risk management, internal controls and governance systems. The costs incurred for maintaining the Internal Audit function for the financial year 2009 was approximately RM107,000.

The main role of the Internal Audit is to independently assess the internal control system established by the Management, the adequacy and integrity of the system and to make appropriate recommendations for implementation. The Internal Audit reports directly to the Audit Committee. The formulation of auditable areas in the annual audit plan is premised on risk-based approach to ensure that the higher risk activities in the Group are audited periodically.

During the financial year ended 30 June 2009, the Internal Audit carried out reviews in accordance with the annual audit plan. The annual audit plan had taken into cognizance the Group's objectives and business strategies. The Internal Audit also conducts ad hoc assignments and special reviews as instructed by the Audit Committee as and when necessary. Recommendations for improvements were put forward for implementation by the Management.





# STATEMENT ON INTERNAL CONTROL

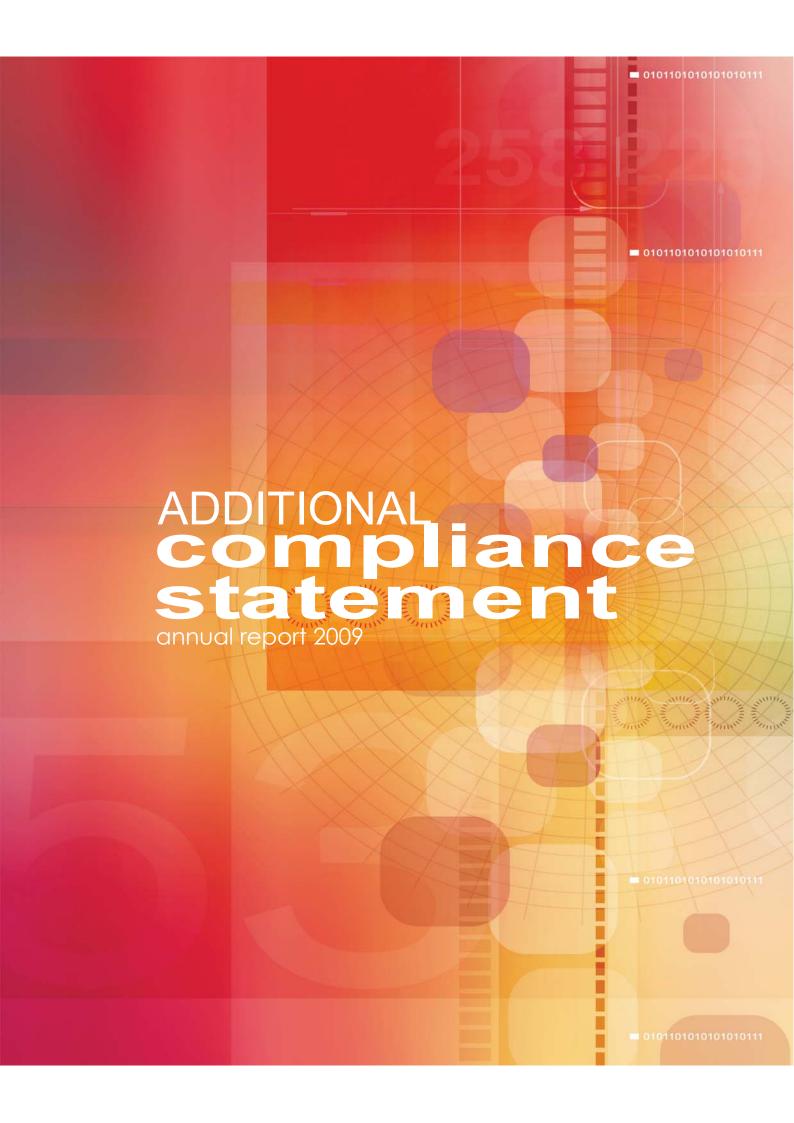
The Board of Directors ("Board") is responsible for the Group's system of internal controls and its effectiveness to safeguard shareholders' investment and the Group's asset. The Board has established an on-going process for identifying, evaluating and managing significant risks faced by the Group and 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 financial year ended 30 June 2009 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.



# ADDITIONAL COMPLIANCE STATEMENT

## 1. Directors (as at 30 September 2009)

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 2009)

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 2009)

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 2009 is as follows:

MONTH	NO. OF SHARES PURCHASED	PER S	SED PRICE SHARE (M)	AVERAGE PRICE (RM)	TOTAL CONSIDERATION PAID (RM)
		Highest	Lowest		
December 2008	2,800	0.350	0.350	0.350	1,021.40
March 2009	5,000	0.330	0.330	0.330	1,692.50
	7,800				2,713.90

The details of the share buyback are laid out in note 15 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 2009)

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 2009)

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.

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# ADDITIONAL COMPLIANCE STATEMENT

#### 9. Non-Audit Fees

There were no amounts of non-audit fees paid to external auditors by the Group during the financial year ended 30 June 2009.

#### 10. Variation in Results

There was no variance between the audited result and the unaudited result of the Group previously announced for the financial year ended 30 June 2009.

# 11. Profit Forecast

The Company did not release any profit estimate, forecast or projection for the financial year. The disclosure requirements for explanatory notes for profit forecast are therefore 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(b) of the Financial Statements.

# 15. List of Properties

The list of properties is stated on pages 93 to 96 of this Annual Report.

# 16.Related Party Transactions - Para 10.09 of the Bursa Securities Main 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 below and Note 29 of the Financial Statements.

# ADDITIONAL COMPLIANCE STATEMENT

# 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 2009 are as follows:

MONTH	NO. OF SHARES	% OF PAID-UP CAPITAL
MALAYSIAN		
Bumiputera	50,542,900	84.23
Non-Bumiputera	9,298,100	15.50
Total Malaysian	59,841,000	99.73
FOREIGN	159,000	0.27
TOTAL	60,000,000	100.00

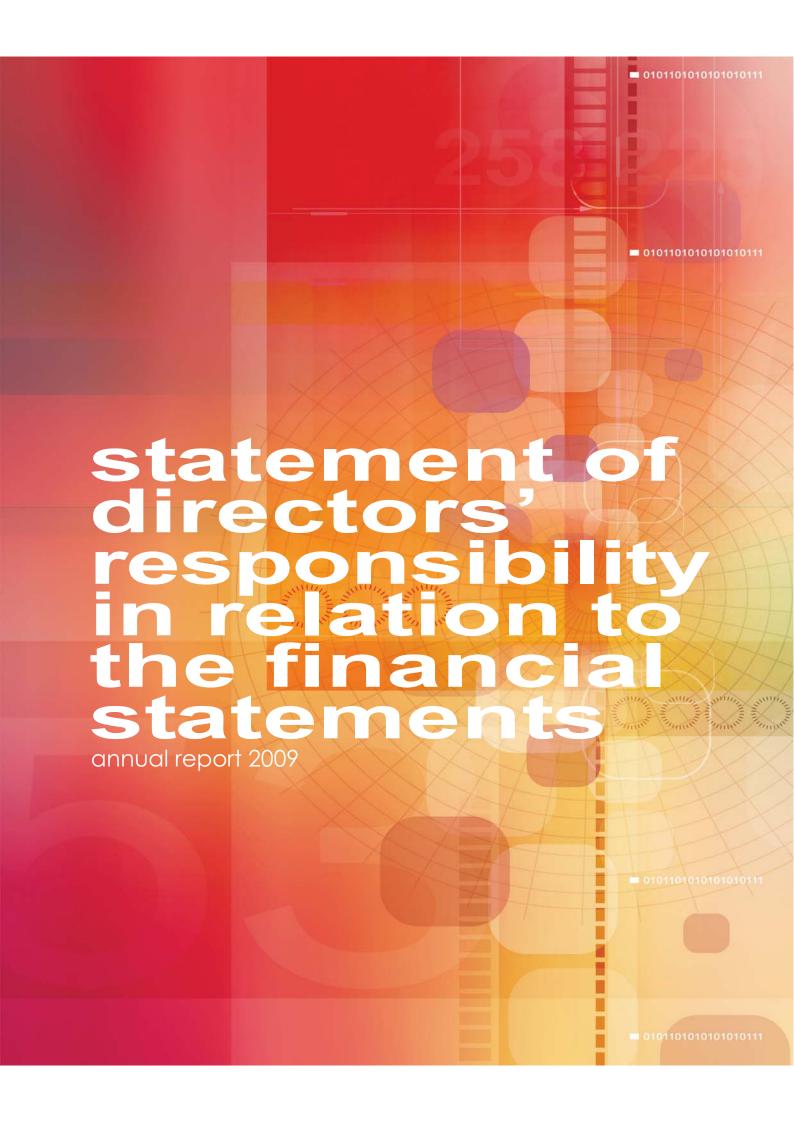
# **B. Related Party Transaction**

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 2009, the amount owing from the net trade debtors is approximately RM24.38 million (RM15.87 million FY 2008) of which the amount over the 365 days period is approximately RM3.51 million (RM3.73 million FY 2008).





# STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

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

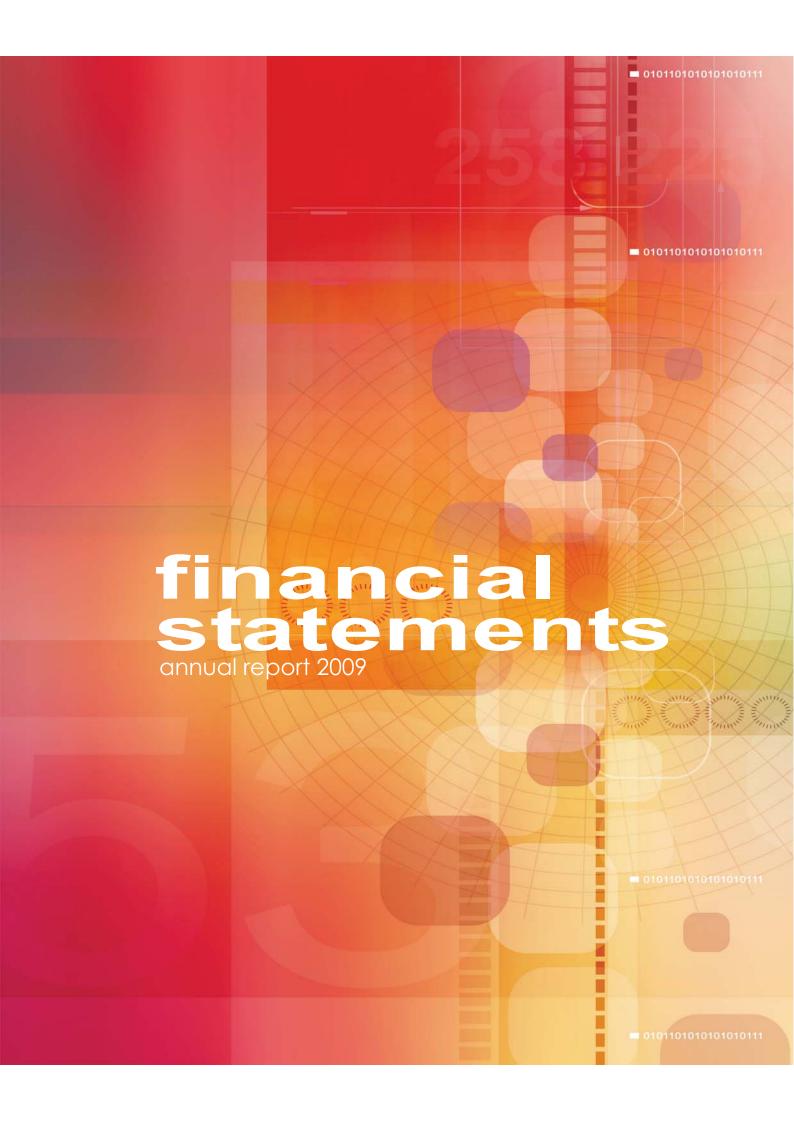
The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy so as to provide a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of their results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

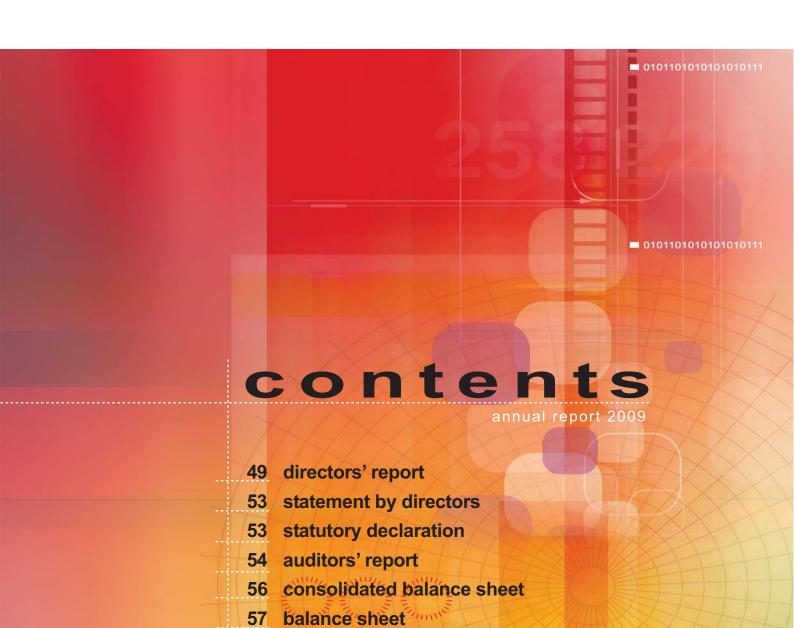
In preparing the annual audited financial statements, the Directors have:

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

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy 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 and Bursa Securities Main Market Listing Requirements.

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





58 consolidated statement of changes in equity

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59 statement of changes in equity

60 consolidated income statement

62 consolidated cash flow statement

64 notes to the financial statements

61 income statement

63 cash flow statement

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 2009.

#### **PRINCIPAL ACTIVITIES**

The Company is principally an investment holding company and provider of management services. The principal activities of the subsidiaries are disclosed in Notes 7 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
256,123	677,162

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**

Dividends paid by the Company since the end of the previous financial year were:

First and final dividend of 0.78 sen less 25% tax per ordinary share of RM1 each in respect of the financial year ended 2008 was paid on 26 December 2008

RM 338,803

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 June 2009, of 0.78 sen tax exempt per ordinary share of RM1 each amounting to RM 468,000 is proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend.

# **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 7,800 of its own shares from the open market at an average price of RM0.337 per share. The total consideration paid for the shares purchased including transaction costs was RM2,714. These shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2009, the Company held as treasury shares a total of 2,092,800 of its 60,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,048,524 and further relevant details are as disclosed in Note 15 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 Dato' Bistamam Ramli Datuk Mohd Shu'aib Ishak Fazlan Azri Tajudin



#### **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	Shares of RM1	each
	As at 1.7.2008	Bought	Sold	As at 30.6.2009
Direct Interest:				
Tan Sri Dato' Tajudin Ramli	2	-	-	2
Datuk Mohd Shu'aib Ishak	1,421,428	-	-	1,421,428
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)	289,600	-	-	289,600

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 spouse.

Note c: Deemed interest by virtue of his interest in Fazlan & Amal Sdn. Bhd. which holds 289,600 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 22 October 2009

# STATEMENT BY DIRECTORS

Pursuant to Section 169 (15) of the Companies Act, 1965

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 88 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 2009 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 22 October 2009

# STATUTORY DECLARATION

Pursuant to Section 169 (16) of the Companies Act, 1965

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 88, 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 22 October 2009

DATO' BISTAMAM RAMLI

Before me,

Commissioner for Oaths

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# **AUDITORS' REPORT**

# 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 5182 Fax: 03-7665 1739

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

(Incorporated in Malaysia)

# **Report on the Financial Statements**

We have audited the financial statements of Edaran Berhad, which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, the income statements, statements of changes in equity, cash flow statements of the Group and 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 88.

# **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 or 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 at 30 June 2009 and their financial performance and cash flows for the year then ended.

## 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.



# **AUDITORS' REPORT**

- (b) We have considered the financial statements 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 financial statements 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 financial statements 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 Accountant

Petaling Jaya

# CONSOLIDATED BALANCE SHEET

As at 30 June 2009

Non-current assets		Note	2009 RM	2008 RM
Non-current assets	100570		13.00	TXIVI
Property, plant and equipment         4         9,738,614         8,044,840           Prepaid land lease payments         5         8,238,726         8,333,863           Investment property         6         8,645,144         8,645,144           Other investment         26,693,629         25,094,992           Current assets				
Prepaid land lease payments   5   8,238,726   8,333,868   1,111111   1,111111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,111111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111   1,11111111		Δ	9 738 614	8 044 840
Investment property		·		
Other investment         71,145         71,145         71,145           Current assets         Inventories         8         16,534		-		
Current assets	1 1 7	· ·		
Current assets	Other investment			<u> </u>
Inventories				
Amount due from customers on contracts	Current assets			
Trade receivables 10 24,381,280 15,865,863 Other receivables, deposits and prepayments 11 2,132,267 2,128,882 Tax recoverable 374,768 855,666 Deposits with licensed banks 12 12,564,625 13,154,242 Cash and bank balances 21 12,564,625 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 44,372,864 50,416,205 50,416,205 44,372,864 50,416,205 50,416,205 44,372,864 50,416,205 50,416,20	Inventories	8	16,534	16,534
Other receivables, deposits and prepayments         11         2,132,267         2,128,882           Tax recoverable         374,768         855,666           Deposits with licensed banks         12         12,564,625         13,154,242           Cash and bank balances         3,156,171         3,612,885           TOTAL ASSETS         77,109,834         69,467,856           EQUITY AND LIABILITIES         77,109,834         69,467,856           Equity attributable to equity holders of the Company         13         60,000,000         60,000,000           Share capital         13         60,000,000         60,000,000           Share premium         14         8,022,580         8,022,580           Treasury shares         15         (1,048,524)         (1,045,810)           Revaluation reserve         16         1,224,926         1,224,926           Translation reserve         (26,932)         -           Accumulated loss         (19,778,995)         (19,696,315)           Minority interest         -         -         -           Total Equity         48,393,595         48,505,381           Non-current liabilities         -         -         -           Amounts due to customers on contracts         9         <	Amount due from customers on contracts	9	7,790,560	8,738,792
Tax recovable 374,768 855,666 Deposits with licensed banks 12 12,564,625 13,154,242 Cash and bank balances 2 12,564,625 13,154,242 Cash and bank balances 50,416,205 44,372,864  TOTAL ASSETS 77,109,834 69,467,856  EQUITY AND LIABILITIES Equity attributable to equity holders of the Company Share capital 13 60,000,000 60,000,000 Share premium 14 8,022,580 8,022,580 Treasury shares 15 (1,048,524) (1,045,810) Revaluation reserve 16 1,224,926 1,224,926 Translation reserve (26,392) - Accumulated loss (19,778,995) (19,696,315) Minority interest (26,392) - Total Equity 48,393,595 48,505,381  Non-current liabilities Borrowings 18 1,967,302 1,967,580 Current liabilities Amounts due to customers on contracts 9 2,544,929 1,053,408 Trade payables 18 3,249,315 Trade payables and accruals 21 3,161,991 2,844,426 Borrowings 18 3,249,315 26,748,937 18,994,895 Total liabilities	Trade receivables	10	24,381,280	15,865,863
Deposits with licensed banks   12   12,564,625   3,156,171   3,612,885   50,416,205   44,372,864   50,416,205   44,372,864   77,109,834   69,467,856   60,000,000   60,000,0	Other receivables, deposits and prepayments	11	2,132,267	2,128,882
Cash and bank balances         3,156,171         3,612,885           TOTAL ASSETS         77,109,834         69,467,856           EQUITY AND LIABILITIES         Equity attributable to equity holders of the Company         3         60,000,000         60,000,000           Share capital         13         60,000,000         60,000,000           Share premium         14         8,022,580         8,022,580           Treasury shares         15         (1,048,524)         (1,045,810)           Revaluation reserve         16         1,224,926         1,224,926           Translation reserve         (26,392)         -           Accumulated loss         (19,778,995)         (19,696,315)           Minority interest         -         -         -           Total Equity         48,393,595         48,505,381           Non-current liabilities         -         -         -           Borrowings         18         1,967,302         1,967,580           Current liabilities         9         2,544,929         1,053,408           Trade payables         20         17,758,956         11,847,746           Other payables and accruals         21         3,161,991         2,844,426           Total liabilities	Tax recoverable		374,768	855,666
TOTAL ASSETS   TOTAL ASSETS   T77,109,834   69,467,856	Deposits with licensed banks	12	12,564,625	13,154,242
TOTAL ASSETS   77,109,834   69,467,856	Cash and bank balances		3,156,171	<u> </u>
EQUITY AND LIABILITIES Equity attributable to equity holders of the Company  Share capital 13 60,000,000 60,000,000 Share premium 14 8,022,580 8,022,580 Treasury shares 15 (1,048,524) (1,045,810) Revaluation reserve 16 1,224,926 1,224,926 Translation reserve (26,392) - Accumulated loss (19,778,995) (19,696,315)  Minority interest  Total Equity 48,393,595 48,505,381  Non-current liabilities Borrowings 18 1,967,302 1,967,580  Current liabilities Amounts due to customers on contracts 9 2,544,929 1,053,408 Trade payables 17,758,956 11,847,746 Other payables and accruals 21 3,161,991 2,844,426 Borrowings 18 3,283,061 3,249,315 Total liabilities  Total liabilities  Total Equity 2,844,426 Borrowings 21 3,161,991 2,844,426 Borrowings 18 3,283,061 3,249,315 Total liabilities			50,416,205	44,372,864
EQUITY AND LIABILITIES Equity attributable to equity holders of the Company  Share capital 13 60,000,000 60,000,000 Share premium 14 8,022,580 8,022,580 Treasury shares 15 (1,048,524) (1,045,810) Revaluation reserve 16 1,224,926 1,224,926 Translation reserve (26,392) - Accumulated loss (19,778,995) (19,696,315)  Minority interest  Total Equity 48,393,595 48,505,381  Non-current liabilities Borrowings 18 1,967,302 1,967,580  Current liabilities Amounts due to customers on contracts 9 2,544,929 1,053,408 Trade payables 17,758,956 11,847,746 Other payables and accruals 21 3,161,991 2,844,426 Borrowings 18 3,283,061 3,249,315 Total liabilities  Total liabilities  Total Equity 2,844,426 Borrowings 21 3,161,991 2,844,426 Borrowings 18 3,283,061 3,249,315 Total liabilities				
Share capital   13   60,000,000   60,000,000   Share premium   14   8,022,580   8,022,580   Treasury shares   15   (1,048,524)   (1,045,810)   Revaluation reserve   16   1,224,926   1,244,926   1,	TOTAL ASSETS		77,109,834	69,467,856
Share capital   13   60,000,000   60,000,000   Share premium   14   8,022,580   8,022,580   Treasury shares   15   (1,048,524)   (1,045,810)   Revaluation reserve   16   1,224,926   1,244,926   1,				
Share capital       13       60,000,000       60,000,000         Share premium       14       8,022,580       8,022,580         Treasury shares       15       (1,048,524)       (1,045,810)         Revaluation reserve       16       1,224,926       1,224,926         Translation reserve       (26,392)       -         Accumulated loss       (19,778,995)       (19,696,315)         Minority interest       -       -         Total Equity       48,393,595       48,505,381         Non-current liabilities       -       -         Borrowings       18       1,967,302       1,967,580         Current liabilities       9       2,544,929       1,053,408         Trade payables       20       17,758,956       11,847,746         Other payables and accruals       21       3,161,991       2,844,426         Borrowings       18       3,283,061       3,249,315         26,748,937       18,994,895         Total liabilities       28,716,239       20,962,475				
Share premium Share premium Share premium Treasury shares 15 (1,048,524) (1,045,810) Revaluation reserve 16 1,224,926 1,224,926 Translation reserve Accumulated loss (19,778,995) (19,696,315) 48,393,595 48,505,381  Minority interest Total Equity  Non-current liabilities Borrowings 18 1,967,302 1,967,580  Current liabilities Amounts due to customers on contracts Trade payables Other payables and accruals Borrowings 18 3,283,061 3,249,315 Corrent liabilities 18 3,283,061 3,249,315 Corrent liabilities 18 3,283,061 3,249,315 Corrent liabilities		12	60 000 000	60 000 000
Treasury shares Revaluation reserve Revaluation reserve Translation reserve Accumulated loss  Minority interest  Total Equity  Non-current liabilities Borrowings  Amounts due to customers on contracts Trade payables Other payables and accruals Borrowings  Total liabilities  Trade payables Other payables and accruals Borrowings  Total liabilities  Total liabilities  Total Equity  Total Equity	·			* *
Revaluation reserve	·	* *		
Translation reserve       (26,392)       -         Accumulated loss       (19,778,995)       (19,696,315)         Minority interest       48,393,595       48,505,381         Total Equity         Non-current liabilities       3       1,967,302       1,967,580         Current liabilities       3       2,544,929       1,053,408         Amounts due to customers on contracts       9       2,544,929       1,053,408         Trade payables       20       17,758,956       11,847,746         Other payables and accruals       21       3,161,991       2,844,426         Borrowings       18       3,283,061       3,249,315         Total liabilities       28,716,239       20,962,475				,
Accumulated loss       (19,778,995)       (19,696,315)         Minority interest       -       -         Total Equity       48,393,595       48,505,381         Non-current liabilities       -       -         Borrowings       18       1,967,302       1,967,580         Current liabilities       -       -         Amounts due to customers on contracts       9       2,544,929       1,053,408         Trade payables       20       17,758,956       11,847,746         Other payables and accruals       21       3,161,991       2,844,426         Borrowings       18       3,283,061       3,249,315         Total liabilities       28,716,239       20,962,475		10		1,224,520
48,393,595       48,505,381         Minority interest       -       -         Total Equity       48,393,595       48,505,381         Non-current liabilities         Borrowings       18       1,967,302       1,967,580         Current liabilities         Amounts due to customers on contracts       9       2,544,929       1,053,408         Trade payables       20       17,758,956       11,847,746         Other payables and accruals       21       3,161,991       2,844,426         Borrowings       18       3,283,061       3,249,315         Total liabilities       28,716,239       20,962,475				(19 696 315)
Minority interest	Accumulated 1055			
Non-current liabilities         18         1,967,302         1,967,580           Current liabilities         9         2,544,929         1,053,408           Trade payables         20         17,758,956         11,847,746           Other payables and accruals         21         3,161,991         2,844,426           Borrowings         18         3,283,061         3,249,315           Total liabilities         28,716,239         20,962,475	Minority interest		-	-
Non-current liabilities         Borrowings       18       1,967,302       1,967,580         Current liabilities         Amounts due to customers on contracts       9       2,544,929       1,053,408         Trade payables       20       17,758,956       11,847,746         Other payables and accruals       21       3,161,991       2,844,426         Borrowings       18       3,283,061       3,249,315         26,748,937       18,994,895         Total liabilities       28,716,239       20,962,475	,		48,393,595	48,505,381
Borrowings       18       1,967,302       1,967,580         Current liabilities       9       2,544,929       1,053,408         Amounts due to customers on contracts       9       2,544,929       1,053,408         Trade payables       20       17,758,956       11,847,746         Other payables and accruals       21       3,161,991       2,844,426         Borrowings       18       3,283,061       3,249,315         26,748,937       18,994,895         Total liabilities       28,716,239       20,962,475	1. 3			
Current liabilities         Amounts due to customers on contracts       9       2,544,929       1,053,408         Trade payables       20       17,758,956       11,847,746         Other payables and accruals       21       3,161,991       2,844,426         Borrowings       18       3,283,061       3,249,315         26,748,937       18,994,895         Total liabilities       28,716,239       20,962,475	Non-current liabilities			
Amounts due to customers on contracts Trade payables Other payables and accruals Borrowings  Total liabilities  9 2,544,929 1,053,408 11,847,746 20 17,758,956 11,847,746 21 3,161,991 2,844,426 28,748,937 18,994,895 28,716,239 20,962,475	Borrowings	18	1,967,302	1,967,580
Trade payables       20       17,758,956       11,847,746         Other payables and accruals       21       3,161,991       2,844,426         Borrowings       18       3,283,061       3,249,315         26,748,937       18,994,895         Total liabilities       28,716,239       20,962,475	Current liabilities			
Other payables and accruals       21       3,161,991       2,844,426         Borrowings       18       3,283,061       3,249,315         26,748,937       18,994,895         Total liabilities       28,716,239       20,962,475	Amounts due to customers on contracts	9		1,053,408
Borrowings 18 3,283,061 3,249,315 26,748,937 18,994,895 Total liabilities 28,716,239 20,962,475	1 7			
Total liabilities         26,748,937         18,994,895           20,748,937         20,962,475	Other payables and accruals	<del>-</del> -		
<b>Total liabilities</b> 28,716,239 20,962,475	Borrowings	18		
TOTAL EQUITY AND LIABILITIES 77,109,834 69,467,856				
	TOTAL EQUITY AND LIABILITIES		77,109,834	69,467,856

# **BALANCE SHEET**

# As at 30 June 2009

	Note	2009 RM	2008 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,221,140	559,485
Investment in subsidiaries	7	29,000,740	29,000,734
Amount due from subsidiaries	17	23,522,574	24,002,790
		53,744,454	53,563,009
Current assets			
Other receivables, deposits and prepayments	11	124,955	111,199
Tax recoverable		374,768	855,666
Cash and bank balances		2,104,906	1,518,382
Cash and bank balances		2,604,629	2,485,247
		, , , , , ,	, ,
TOTAL ASSETS		56,349,083	56,048,256
EQUITY AND LIABILITIES Equity attributable to equity holders of the Company			
Share capital	13	60,000,000	60,000,000
Share premium	14	8,022,580	8,022,580
Treasury shares	15	(1,048,524)	(1,045,810)
Accumulated loss		(28,266,137)	(28,604,496)
Total equity		38,707,919	38,372,274
Non-current liabilities			
Amount due to a subsidiary	17	17,174,430	17,374,006
Current liabilities			
Other payables and accruals	21	466,734	301,976
Total liabilities		17,641,164	17,675,982
TOTAL EQUITY AND LIABILITIES		56,349,083	56,048,256

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2009

			NON -	NON - DISTRIBUTABLE	BLE					
_	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Revaluation Translation Reserve Reserve RM RM	Translation Reserve RM	Accumulated Loss RM	Attributable to Equity Holders of the Company RM	Minority Interest RM	Total Equity RM
At 1.7.2008		60,000,000	8,022,580	(1,045,810)	1,224,926	ı	(19,696,315)	48,505,381	r	48,505,381
Purchase of treasury shares	15	1	1	(2,714)	1	ı	1	(2,714)	т	(2,714)
Net profit for the year		ı	1	1	1	ı	256,123	256,123	ī	256,123
Translation adjustment for the financial year						(26,392)	I	(26,392)	т	(26,392)
Dividend paid		1	1	1	1	1	(338,803)	(338,803)	ī	(338,803)
At 30.6.2009		60,000,000	8,022,580	(1,048,524)	1,224,926	(26,392)	(19,778,995)	48,393,595	ī	48,393,595
At 1.7.2007		000,000,000	8,004,347	(470,209)	1,224,926	ı	(21,036,169)	47,722,895	ī	47,722,895
Purchase of treasury shares	15	ı	ı	(602,158)	ı	ı	ı	(602,158)	Г	(602,158)
Sale of treasury shares	15	1	18,233	26,557	ı	ı	ı	44,790	Г	44,790
Issuance of shares in a subsidiary company						1	ı		57,335	57,335
Net profit for the year		ī	1	ı	ı	ı	1,926,996	1,926,996	(57,335)	1,869,661
Dividend paid		ı	1	ı	ı	ı	(587,142)	(587,142)	Т	(587,142)
At 30.6.2008		000,000,009	8,022,580	(1,045,810)	1,224,926	ı	(19,696,315)	48,505,381	1	48,505,381

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009

		NC	N-DISTRIB	UTABLE		
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Accumulated Loss RM	Total Equity RM
At 1.7.2008		60,000,000	8,022,580	(1,045,810)	(28,604,496)	38,372,274
Purchase of treasury shares	15	-	-	(2,714)	-	(2,714)
Net profit for the year		-	-	-	677,162	677,162
Dividend paid		-	-	-	(338,803)	(338,803)
At 30.6.2009		60,000,000	8,022,580	(1,048,524)	(28,266,137)	38,707,919
At 1.7.2007		60,000,000	8,004,347	(470,209)	(28,957,142)	38,576,996
Purchase of treasury shares	15	-	-	(602,158)	-	(602,158)
Sale of treasury shares	15	-	18,233	26,557	-	44,790
Net profit for the year		-	-	-	939,788	939,788
Dividend paid		-	-	-	(587,142)	(587,142)
At 30.6.2008		60,000,000	8,022,580	(1,045,810)	(28,604,496)	38,372,274

# CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2009

Revenue		Note	2009 RM	2008 RM
Contract revenue Services rendered         9 936,369 76,832,261         57,234,191 59,416,674           Cost of sales         9 (60,555,368)         (43,841,809)           Gross profit         16,276,893         15,574,865           Other operating income         590,350         1,697,099           Administrative expenses Selling and marketing expenses         (9,787,211)         (10,031,688)           Selling and marketing expenses         (1,340,850)         (691,027)           Other operating expenses         (5,487,446)         (5,458,752)           Profit from operations         451,736         1,090,497           Finance costs         (348,559)         (389,277)           Profit before tax         22         103,177         701,220           Income tax         25         152,946         1,168,441           Net profit after taxation attributable to the group         256,123         1,869,661           Attributable to:         Equity holders of the Company Minority interests         256,123         1,926,996 - (67,335)           256,123         1,869,661         - (67,335)           256,123         1,869,661         - (67,335)	Revenue	14010		
Cost of sales       9       (60,555,368)       (43,841,809)         Gross profit       16,276,893       15,574,865         Other operating income       590,350       1,697,099         Administrative expenses       (9,787,211)       (10,031,688)         Selling and marketing expenses       (1,340,850)       (691,027)         Other operating expenses       (1,340,850)       (5,458,752)         Profit from operations       451,736       1,090,497         Finance costs       (348,559)       (389,277)         Profit before tax       22       103,177       701,220         Income tax       25       152,946       1,168,441         Net profit after taxation attributable to the group       256,123       1,869,661         Attributable to :       Equity holders of the Company Minority interests       256,123       1,926,996         - (57,335)       256,123       1,869,661		9	75,895,892	57,234,191
Cost of sales       9       (60,555,368)       (43,841,809)         Gross profit       16,276,893       15,574,865         Other operating income       590,350       1,697,099         Administrative expenses       (9,787,211)       (10,031,688)         Selling and marketing expenses       (1,340,850)       (691,027)         Other operating expenses       (5,287,446)       (5,458,752)         Profit from operations       451,736       1,090,497         Finance costs       (348,559)       (389,277)         Profit before tax       22       103,177       701,220         Income tax       25       152,946       1,168,441         Net profit after taxation attributable to the group       256,123       1,869,661         Attributable to:       Equity holders of the Company Minority interests       256,123       1,926,996         - (57,335)       256,123       1,869,661	Services rendered		936,369	2,182,483
Gross profit       16,276,893       15,574,865         Other operating income       590,350       1,697,099         Administrative expenses       (9,787,211)       (10,031,688)         Selling and marketing expenses       (1,340,850)       (691,027)         Other operating expenses       (5,458,752)         Profit from operations       451,736       1,090,497         Finance costs       (348,559)       (389,277)         Profit before tax       22       103,177       701,220         Income tax       25       152,946       1,168,441         Net profit after taxation attributable to the group       256,123       1,869,661         Attributable to :       Equity holders of the Company Minority interests       256,123       1,926,996         Attributable to:       256,123       1,869,661			76,832,261	59,416,674
Other operating income       590,350       1,697,099         Administrative expenses       (9,787,211)       (10,031,688)         Selling and marketing expenses       (1,340,850)       (691,027)         Other operating expenses       (5,287,446)       (5,458,752)         Profit from operations       451,736       1,090,497         Finance costs       (348,559)       (389,277)         Profit before tax       22       103,177       701,220         Income tax       25       152,946       1,168,441         Net profit after taxation attributable to the group       256,123       1,869,661         Attributable to :       Equity holders of the Company Minority interests       256,123       1,926,996         —       (57,335)       256,123       1,869,661	Cost of sales	9	(60,555,368)	(43,841,809)
Administrative expenses       (9,787,211)       (10,031,688)         Selling and marketing expenses       (1,340,850)       (691,027)         Other operating expenses       (5,287,446)       (5,458,752)         Profit from operations       451,736       1,090,497         Finance costs       (348,559)       (389,277)         Profit before tax       22       103,177       701,220         Income tax       25       152,946       1,168,441         Net profit after taxation attributable to the group       256,123       1,869,661         Attributable to :       Equity holders of the Company Minority interests       256,123       1,926,996         -       (57,335)       256,123       1,869,661	Gross profit		16,276,893	15,574,865
Selling and marketing expenses       (1,340,850) (691,027)         Other operating expenses       (5,287,446) (5,458,752)         Profit from operations       451,736 1,090,497         Finance costs       (348,559) (389,277)         Profit before tax       22 103,177 701,220         Income tax       25 152,946 1,168,441         Net profit after taxation attributable to the group       256,123 1,869,661         Attributable to:       256,123 1,926,996         Equity holders of the Company Minority interests       - (57,335)         256,123 1,869,661       1,869,661	Other operating income		590,350	1,697,099
Other operating expenses       (5,287,446)       (5,458,752)         Profit from operations       451,736       1,090,497         Finance costs       (348,559)       (389,277)         Profit before tax       22       103,177       701,220         Income tax       25       152,946       1,168,441         Net profit after taxation attributable to the group       256,123       1,869,661         Attributable to:       Equity holders of the Company Minority interests       256,123       1,926,996         -       (57,335)       256,123       1,869,661	Administrative expenses		(9,787,211)	(10,031,688)
Profit from operations  451,736 1,090,497  Finance costs  (348,559) (389,277)  Profit before tax  22 103,177 701,220  Income tax  25 152,946 1,168,441  Net profit after taxation attributable to the group  Attributable to:  Equity holders of the Company Minority interests  25 256,123 1,926,996 - (57,335) - (57,335) - 256,123 1,869,661			(1,340,850)	(691,027)
Finance costs (348,559) (389,277)  Profit before tax 22 103,177 701,220  Income tax 25 152,946 1,168,441  Net profit after taxation attributable to the group 256,123 1,869,661  Attributable to:	Other operating expenses		(5,287,446)	(5,458,752)
Profit before tax 22 103,177 701,220  Income tax 25 152,946 1,168,441  Net profit after taxation attributable to the group 256,123 1,869,661  Attributable to:  Equity holders of the Company Minority interests 256,123 1,926,996 (57,335) 256,123 1,869,661	Profit from operations		451,736	1,090,497
Income tax       25       152,946       1,168,441         Net profit after taxation attributable to the group       256,123       1,869,661         Attributable to :       256,123       1,926,996         Minority interests       - (57,335)       256,123       1,869,661	Finance costs		(348,559)	(389,277)
Net profit after taxation attributable to the group       256,123       1,869,661         Attributable to :       256,123       1,926,996         Minority interests       - (57,335)       256,123       1,869,661	Profit before tax	22	103,177	701,220
Attributable to :	Income tax	25	152,946	1,168,441
Equity holders of the Company Minority interests  - (57,335) 256,123 1,869,661	Net profit after taxation attributable to the group		256,123	1,869,661
Equity holders of the Company Minority interests  - (57,335) 256,123 1,869,661				
Minority interests - (57,335) 256,123 1,869,661			050.460	4 000 000
<b>256,123</b> 1,869,661			256,123	
	willonty interests		256,123	
Earnings per share (sen) 27 <b>0.43</b> 3.21				, ,
	Earnings per share (sen)	27	0.43	3.21

# **INCOME STATEMENT**

For the year ended 30 June 2009

	Note	2009 RM	2008 RM
Revenue		3,098,000	2,648,000
Other operating income		879,352	592,595
Administrative expenses		(2,503,081)	(2,068,567)
Selling and marketing expenses		(130,920)	-
Other operating expenses		(406,635)	(312,934)
Profit from operations		936,716	859,094
Finance costs			-
Profit before tax	22	936,716	859,094
Income tax	25	(259,554)	80,694
Net profit for the year		677,162	939,788

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2009

	2009 RM	2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	103,177	701,220
Adjustment for non-cash items:	100,111	,
Depreciation	1,528,659	1,002,059
Interest expense	348,559	389,277
Interest income	(320,624)	(337,166)
Amortisation of prepaid land lease	95,137	95,137
Gain on disposal of plant and equipment	(64,017)	(142,158)
Provision for doubtful debts	-	559,486
Operating profit before working capital changes	1,690,891	2,267,855
Decrease in inventories	-	6,100
(Increase)/decrease in receivables	(8,518,802)	559,288
Decrease/(increase) in amounts due from customers on contracts	948,232	(1,401,376)
Increase/(decrease) in amounts due to customers on contracts	1,491,521	(545,550)
(Decrease)/increase in payables	6,228,775	(232,873)
Cash generated from / (used in) operating activities	1,840,617	653,444
Income tax refund (net)	633,845	3,792,373
Interest paid	(348,559)	(389,277)
Interest received	320,624	337,166
CASH FLOWS FROM INVESTING ACTIVITIES	2,446,527	4,393,706
Additions to property, plant and equipment	(1,952,628)	(1,742,743)
Proceeds from disposal of plant and equipment	76,578	171,290
Troceeus from disposar of plant and equipment	(1,876,050)	(1,571,453)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,070,000)	(1,071,400)
Proceeds from issuance of shares to minority shareholder		57,335
Dividend paid	(338,803)	(587,142)
Repayment of hire purchase payables	(410,480)	(71,860)
Repayment of term loan	(733,431)	(669,441)
Proceeds from sale of treasury shares	-	44,790
Repurchase of treasury shares	(2,714)	(602,158)
Decrease in trust receipts	(925,921)	(1,723,002)
Increase in banker acceptances	820,000	-
Increase in deposits pledged as security with licensed bank	(1,443,315)	(781,350)
	(3,034,664)	(4,332,828)
		/
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,464,187)	(1,510,575)
Effects of foreign exchange rate changes	(25,459)	40.007.045
Balance at beginning of year	8,497,040	10,007,615
Balance at end of year	6,007,394	8,497,040
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and bank balances	3,156,171	3,612,885
Deposits with licensed banks	12,564,625	13,154,242
	15,720,796	16,767,127
Less: Deposits pledged as security with licensed banks	(9,713,402)	(8,270,087)
	6,007,394	8,497,040



# **CASH FLOW STATEMENT**

# For the year ended 30 June 2009

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200

Cash used in operating activities

Income tax refund Interest received

# **CASH FLOWS FROM INVESTING ACTIVITIES**

Sales proceeds from disposal of plant and equipment Additions to property, plant and equipment Dividend received Repayment from subsidiaries Investment in subsidiary

# CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid Repurchase of treasury shares Sales of treasury shares

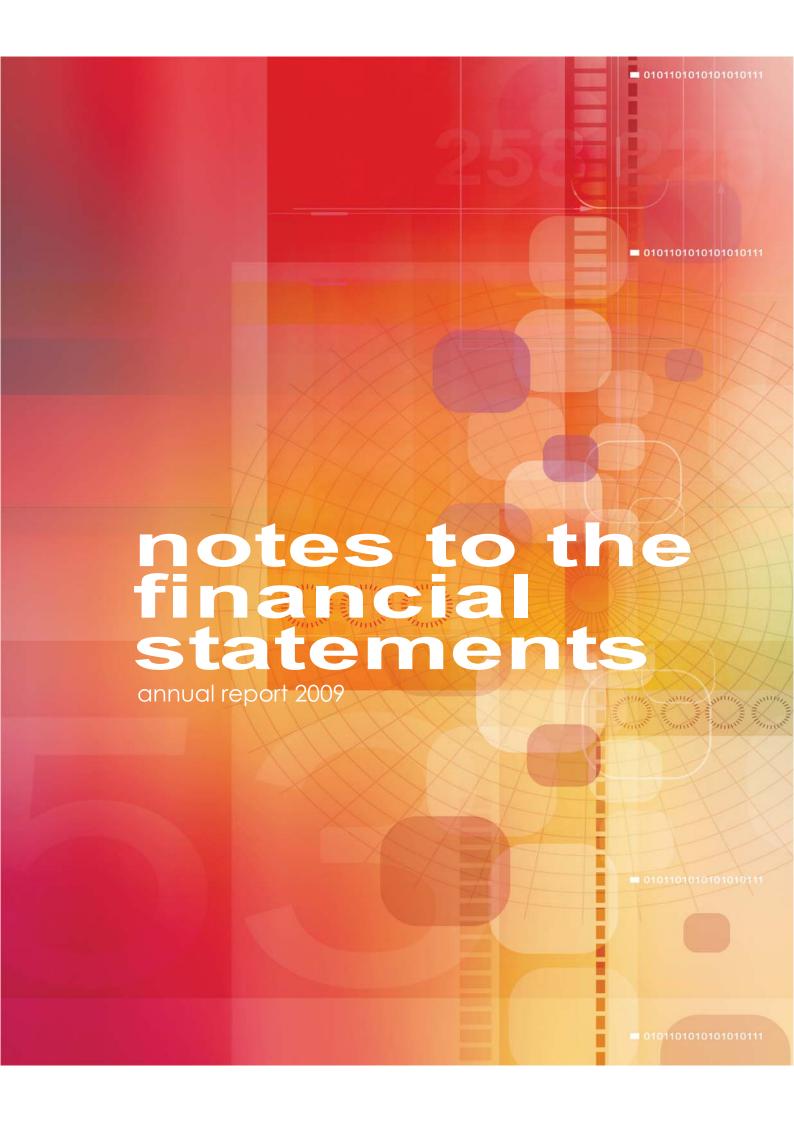
# **NET INCREASE / (DECREASE) IN CASH**

Balance at beginning of year Balance at end of year

# Cash and Cash Equivalents Consist of:

Cash and bank balances

2009 RM	2008 RM
936,716	859,094
226,240	197,909
(2,450,000)	(2,000,000)
(876,335)	(588,334)
(1,742)	(3,630)
(2,165,121)	(1,534,961)
(13,756)	(60,674)
164,758	(138,569)
(2,014,119)	(1,734,204)
633,844	-
876,335	588,334
(503,940)	(1,145,870)
5,598	5,609
(891,751)	(134,583)
2,037,500	1,480,000
280,640	682,442
(6)	-
1,431,981	2,033,468
(338,803)	(587,142)
(2,714)	(602,158)
(0.44.545)	44,790
(341,517)	(1,144,510)
586,524	(256 012)
1,518,382	(256,912) 1,775,294
2,104,906	1,518,382
2,107,000	1,010,002
2,104,906	1,518,382
	, ,



EDARAN BERHAD (241644 W)

(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 Market of Bursa Malaysia Securities Berhad.

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

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 21 October 2009.

#### 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 Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia 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.

- 2.1 FRS adopted during the financial year
  - FRS 107 Cash Flow Statements
  - FRS 112 Income Taxes
  - FRS 117 Leases
  - FRS 118 Revenue
  - FRS 137 Provisions, Contingent liabilities and Contingent Assets

The adoption of the above FRS did not result in any material impact to the financial statements.

# 2. BASIS OF PREPARATION (Contd.)

2.2 FRS and Interpretations of FRS not yet effective

The Group and the Company has not adopted the following FRS and Interpretations of Financial Reporting Standards (IC int) issued but not yet effective.

Description	Effective date
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards	1 Jan 2010
Amendments to FRS 2 Share- based Payments - Vesting Conditions and Cancellations	1 Jan 2010
Insurance Contracts	1 Jan 2010
Financial Instruments: Disclosure	1 Jan 2010
Operating Segments	1 Jul 2009
Amendments to FRS 127 Consolidated and Separate Financial Statements :	1 Jan 2010
Cost of an Investment in Jointly Controlled Entity or Associate	
Financial Instruments: Recognition and Measurement	1 Jan 2010
Addendum to FRS 139	
Reassessment of Embedded Derivatives	1 Jan 2010
Interim Financial Reporting and Impairment	1 Jan 2010
IC Interpretation 13: Customer Loyalty Programmes	1 Jan 2010
IC Interpretation 14: FRS 119 - The limit on Defined Benefit Asset,	1 Jan 2010
Minimum Funding and their Interaction	
	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards  Amendments to FRS 2 Share- based Payments - Vesting Conditions and Cancellations Insurance Contracts  Financial Instruments: Disclosure  Operating Segments  Amendments to FRS 127 Consolidated and Separate Financial Statements:  Cost of an Investment in Jointly Controlled Entity or Associate  Financial Instruments: Recognition and Measurement  Addendum to FRS 139  Reassessment of Embedded Derivatives  Interim Financial Reporting and Impairment  IC Interpretation 13: Customer Loyalty Programmes  IC Interpretation 14: FRS 119 - The limit on Defined Benefit Asset,

The above FRSs, Amendments to FRS and IC Interpretations are not expected to have any significant impact on the financial statements of the Group and the Company upon their initial application.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

# 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 recognised in the income statement.

# 3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

# (a) Subsidiaries and Basis of Consolidation (Contd.)

# (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 control is transferred to the Group and are no longer consolidated from the date control ceases. The gain or loss on 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) Property, Plant and Equipment and Depreciation

Property, plant and equipment are initially stated at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is not recognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land, are stated at cost less accumulated depreciation and accumulated impairment loss.

All other property, plant and equipment are depreciated on a straight-line basis to write off cost of the assets using principal annual rates 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.

# (c) 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.

# 3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

# (c) Lease and Hire Purchase (Contd.)

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 charge on the remaining balance of the obligation for each accounting period.

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.

#### (d) 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 recognised as profit or loss in the year in which they arise.

## (e) 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.

### (f) 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.

# (q) 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.

#### (h) Contract work-in-progress

When the outcome of a contract can 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.



# 3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

# (h) Contract work-in-progress (Contd.)

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.

#### (i) 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.

#### (j) 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.

#### (k) 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 measured using the tax rates that have been enacted at the balance sheet date.

Deferred taxation is provided for using the 'liability' method, on 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 realised. 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.

# (I) 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.

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (m) Share Capital

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

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.

#### (n) Treasury Shares

A purchase by the Company of its own equity shares is accounted for under the treasury shares method. Under this method, the shares purchased and held as treasury shares is measured and carried at cost of purchase (including directly attributable costs) on initial recognition and subsequently.

On presentation in the balance sheet, the carrying amount of the treasury shares is offset against equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the shares premium account or the distributable reserves (or both). Where treasury shares are resold, the difference between the sales consideration and the carrying amount of the treasury shares is shown as movement in share premium. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

#### (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.



#### 3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (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(h).
- (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:

	2009	2008
	RM	RM
Brunei Dollar	2.403	2.407

# 4. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Furniture & fittings RM	Office equipment RM	Office equipment Renovations RM RM	Motor vehicles RM	Equipment tools RM	Equipment Gymnasium tools equipment RM RM	Total RM
Cost / Valuation								
At 1.7.2008	4,177,000	706,271	5,144,206	2,353,130	4,296,498	986,348	3,420	17,666,873
Additions	ı	55,699	897,182	685,365	1,597,681		1	3,235,927
Disposals	ı	,	(27,877)	ı	(402,784)	ı	1	(430,661)
Exchange differences	1	422	2,024	(699)		1	ı	1,777
At 30.6.2009	4,177,000	762,392	6,015,535	3,037,826	5,491,395	986,348	3,420	20,473,916
Accumulated Depreciation								
At 1.7.2008	83,540	511,602	3,835,173	1,500,418	2,712,664	975,217	3,419	9,622,033
Charge for the year	83,540	49,505	630,952	214,428	543,598	6,636	ı	1,528,659
Disposals	,	1	(15,317)	1	(402,783)	,	ı	(418,100)
Exchange differences	,	362	882	1,281	185	,	1	2,710
At 30.6.2009	167,080	561,469	4,451,690	1,716,127	2,853,664	981,853	3,419	10,735,302
Net Book Value								
At 30.6.2009	4,009,920	200,923	1,563,845	1,321,699	2,637,731	4,495	~	9,738,614
At 30.6.2008	4,093,460	194,669	1,309,033	852,712	1,583,834	11,131	_	8,044,840
Depreciation charge for 2008	83,540	31,731	612,602	153,858	113,672	6,656		1,002,059

#### 4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

	At 1.7.2008	Additions	Disposals	At 30.6.2009
Company	RM	RM	RM	RM
Cost				
Office equipment	1,031,580	220,674	(13,229)	1,239,025
Renovations	466,795	671,077	-	1,137,872
Motor vehicles	158,710	-	-	158,710
Gymnasium equipment	3,420		-	3,420
	1,660,505	891,751	(13,229)	2,539,027
Accumulated Depreciation				
Office equipment	633,818	177,883	(9,373)	802,328
Renovations	305,074	48,357	-	353,431
Motor vehicles	158,709	-	-	158,709
Gymnasium equipment	3,419	-	-	3,419
	1,101,020	226,240	(9,373)	1,317,887
Net Book Value				
Office equipment	397,762	42,791	(3,856)	436,697
Renovations	161,721	622,720	-	784,441
Motor vehicles	1	-	-	1
Gymnasium equipment	1	-	-	1
	559,485	665,511	(3,856)	1,221,140

Depreciation charge for year 2008	Company RM
Office equipment	148,869
Renovations	49,040
Motor vehicles	-
Gymnasium equipment	-
	197,909

#### 4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

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.

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

	G	roup
	2009 RM	2008 RM
Buildings	2,598,838	2,659,870

Net book value of property, plant and equipment held under hire purchase arrangements as disclosed in Note 19 are as follows:

	G	iroup
	2009 RM	2008 RM
Motor vehicles	2,563,369	1,578,774

#### 5. PREPAID LAND LEASE PAYMENTS

	2009 RM	2008 RM
At Valuation Beginning of the year / End of the year	8,429,000	8,429,000
Accumulated Amortisation Beginning of the year	(95,137)	
Charge for the year End of the year	(95,137) (190,274)	(95,137) (95,137)
Net Carrying Amount	8,238,726	8,333,863

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.



#### **6. INVESTMENT PROPERTY**

Freehold land at cost

At 1 July / At 30 June

Gro	up
2009 RM	2008 RM
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 18 amounted to RM8,645,144 (RM8,645,144 in 2008).

#### 7. INVESTMENT IN SUBSIDIARIES

Unquoted shares, at cost LESS: Accumulated Impairment losses

Comp	oany
2009 RM	2008 RM
56,164,214	56,164,208
(27,163,474)	(27,163,474)
29,000,740	29,000,734

The details of the subsidiary companies are as follows:

Name of subsidiary	Equity I	Interest	Country of Incorporation	Principal Activities
	2009	2008		
Elitemac Resources Sdn Bhd	100%	100%	Malaysia	Ceased operations.
Edaran IT Services Sdn Bhd (Formerly known as 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	Smart technology provider.
MIDC Technology Sdn Bhd	100%	100%	Malaysia	Dormant.
Edaran Lifestyle Sdn Bhd	100%	-	Malaysia	Event Management and special interest project.
Edaran Lifestyle Maintenance Services Sdn Bhd	100%	-	Malaysia	Dormant.
Edaran Lifestyle Trading Services Sdn Bhd	100%	-	Malaysia	Provision of trading services and consultancy.

#### 7. INVESTMENT IN SUBSIDIARIES (Contd.)

The details of the subsidiary companies are as follows: (Contd.)

Name of subsidiary	Equity I	Interest	Country of Incorporation	Principal Activities
	2009	2008		
Subsidiary of Elitemac Resor	urces Sd	n Bhd		
Edaran Communications Sdn Bhd	100%	100%	Malaysia	Ceased operations.
Subsidiary of Edaran IT Serv (Formerly known as Edaran Komp				
Shinba-Edaran Sdn Bhd **	75%	75%	Brunei	Information technology provider

<sup>\*\*</sup> Audited by firm other than Parker Randall Mea

#### 8. INVENTORIES

	Gr	oup
	2009 RM	2008 RM
Tools and Consumables	16,534	16,534

#### 9. CONTRACT WORK-IN-PROGRESS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cost	74,895,506	53,688,432	-	-
Profit recognised	13,292,497	16,647,355	-	-
Progress billings	(82,942,372)	(62,650,403)	-	-
Work-in-progress	5,245,631	7,685,384	-	-
ANALYSIS OF WORK-IN-PROGRESS				
Amount due from customers	7,790,560	8,738,792	-	-
Amount due to customers	(2,544,929)	(1,053,408)	-	
	5,245,631	7,685,384	-	
Contract revenue recognised	75,895,892	57,234,191		
Contract cost recognised	59,609,644	41,976,111	-	

#### 10. TRADE RECEIVABLES

Trade receivables

LESS: Provision for doubtful debts

Group		
<b>2009</b> 2008 RM RM		
57,635,145	49,120,368	
(33,253,865)	(33,254,505)	
24,381,280	15,865,863	

Company		
2009 RM	2008 RM	
	-	
-	-	
-	-	

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

As at balance sheet date, the Group has significant concentration of credit risk in the form of outstanding balances due from 5 (3 in 2008) customers representing 14% (13% in 2008) of total net trade receivables. Included in the total net trade receivables of the Group are debts amounting to RM3,510,122 (RM3,728,349 in 2008) 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.

#### 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables Amount due by related company Deposits Prepayments

LESS: Provision for doubtful debts

Group		
<b>2009</b> 2008 RM RM		
387,172	462,961	
268,906	268,906	
4,583,663	4,525,310	
489,443	468,622	
5,729,184	5,725,799	
(3,596,917)	(3,596,917)	
2,132,267	2,128,882	

Com	npany	
2009 RM	2008 RM	
41,671	48,445	
-	-	
300	200	
82,984	62,554	
124,955	111,199	
-	-	
124,955	111,199	

#### 12. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks of the Group amounting to RM9,713,402 (RM8,270,087 in 2008) are pledged to banks for credit facilities granted to certain subsidiaries as referred to Note 18.

The interest rates and average maturities of deposits of the Group as at 30 June 2009 range from 1.60% to 4.70% (2.60% to 4.44% in 2008) per annum and between 30 to 365 days.



#### 13. SHARE CAPITAL

Ordinary shares of RM1 each Authorised

Issued and fully paid

2009 RM	2008 RM
100,000,000	100,000,000
60,000,000	60,000,000

#### 14. SHARE PREMIUM

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

2009 RM	2008 RM
8,022,580	8,004,347 18,233
8,022,580	8,022,580

#### 15. TREASURY SHARES

At 1 July Purchased Sold At 30 June

Group		
<b>2009</b> 2008 RM RM		
1,045,810	<b>10</b> 470,209	
2,714	602,158	
-	(26,557)	
1,048,524	1,045,810	

Company		
2009 RM	2008 RM	
1,045,810	470,209	
2,714	602,158	
-	(26,557)	
1,048,524	1,045,810	

The shareholders of the Company, by ordinary resolution passed in a general meeting held on 27 November 2008, 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 7,800 of its own shares from the open market at an average price of RM0.337 per share. The total consideration paid for the shares purchased was RM2,714 comprising of consideration paid of RM2,630 and transaction costs of RM84. 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 RM0.35 and RM0.33 respectively.

Of the total 60,000,000 (60,000,000 in 2008) issued and fully paid ordinary shares as at 30 June 2009, 2,092,800 (2,085,000 in 2008) are held as treasury shares by the Company.

#### **16. REVALUATION RESERVE**

Group	Prepaid land lease payments RM	Buildings RM	Total RM
At 1 July 2008 / At 30 June 2009	797,286	427,640	1,224,926
At 1 July 2007 / At 30 June 2008	797,286	427,640	1,224,926

#### 17. AMOUNT DUE FROM / TO SUBSIDIARY COMPANIES

The amount due from subsidiary companies bear interest at 4% (4% in 2008) 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.

#### 18. BORROWINGS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short Term Borrowings				
Term loans	769,447	697,770	-	_
Trust receipts	2,001,200	2,107,121	-	-
Hire purchase payable (Note 19)	512,414	444,424	-	-
	3,283,061	3,249,315	-	-
Long Term Borrowings				
Term loans	255,296	1,060,404	-	-
Hire purchase payable (Note 19)	1,712,006	907,176	-	
	1,967,302	1,967,580	-	-
Total Borrowings				
Term loans	1,024,743	1,758,174	-	-
Trust receipts	2,001,200	2,107,121	-	-
Hire purchase payable (Note 19)	2,224,420	1,351,600	-	-
	5,250,363	5,216,895	-	<u>-</u>
Maturity of Borrowings (excluding hire purchase)				
Within one year	2,770,647	2,804,891	-	-
More than 1 year and less than 2 years	255,296	697,770	-	-
More than 2 years and less than 5 years	-	362,634	-	
	3,025,943	3,865,295	-	

#### 18. BORROWINGS (Contd.)

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

Trust receipts Term loans

Group		
2009 %	2008 %	
7.00	7.80	
7.00	7.50	

Company		
2009 %	2008 %	
-	-	
-	-	

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 12;
- (ii) assignment of contract proceeds of certain subsidiary companies; and
- (iii) corporate guarantee of the Company.

#### 19. HIRE PURCHASE PAYABLES

	Group		Company	
Minimum Lease Payments	2009 RM	2008 RM	2009 RM	2008 RM
Not later than one year	611,988	317,994	-	_
More than 1 year and less than 2 years	611,988	317,994	-	-
More than 2 years and less than 5 years	1,233,778	864,140	-	
	2,457,754	1,500,128	-	-
Less: Future finance charges	(233,334)	(148,528)	-	
Present value of finance lease liabilities	2,224,420	1,351,600	-	-
Present Value of Finance Lease Liability				
Not later than one year	512,414	429,020	-	-
More than 1 year and less than 2 years	540,285	285,863	-	-
More than 2 years and less than 5 years	1,171,721	636,717		
	2,224,420	1,351,600	-	-
Analysed As				
Due within 12 months (Note 18)	512,414	444,424	-	-
Due after 12 months (Note 18)	1,712,006	907,176	-	
	2,224,420	1,351,600	-	

The hire purchase payables bear interest at between 4.24% to 5.42% (4.95% to 9.16% in 2008) per annum.

#### 20. TRADE PAYABLES

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

#### 21. OTHER PAYABLES AND ACCRUALS

Other payables Accruals

Group		
2009 RM	2008 RM	
498,498	370,782	
2,663,493	2,473,644	
<b>3,161,991</b> 2,844,426		
	•	

Company		
2009 2008 RM RM		
11,396	11,396	
455,338	290,580	
<b>466,734</b> 301,976		

#### 22. PROFIT BEFORE TAX

	Group		Company	
After charging / (crediting):	2009 RM	2008 RM	2009 RM	2008 RM
Audit Fee	46,834	44,627	12,000	12,000
Amortisation of prepaid land lease payments	95,137	95,137	-	-
Employee benefits expense	7,121,003	7,663,650	1,076,872	1,021,107
(Note 23)	.,,	1,000,000	.,0.0,0.2	1,021,101
Depreciation	1,528,659	1,002,059	226,240	197,909
Directors' remuneration	1,080,479	862,900	415,000	262,000
(Note 24)	,,	, , , , , , , , , , , , , , , , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,
Provision for doubtful debts	-	559,487	-	-
Rental of premises	322,459	219,257	-	-
Finance costs:				-
Bank overdraft interest	16,104	5,858	-	-
Hire purchase interest	101,715	19,158	-	-
Term loan interest	111,729	175,719	-	-
Trust receipts interest	119,011	188,542	-	-
(Gain) / loss on foreign exchange Trade and				
realised	(32,398)	(171,345)	-	-
Management fee income from:				
Subsidiaries	-	-	(648,000)	(648,000)
Rental income	(167,600)	(177,200)	-	-
Dividend income	-	-	(2,450,000)	(2,000,000)
Interest income from:				
Deposits with licensed bank	(320,624)	(337,166)	-	-
Subsidiaries	-	-	(876,335)	(588,334)
Bad debt recovered	(640)	-	-	-
Gain on disposal of plant and equipment	(67,741)	(142,158)	(1,742)	(3,630)

#### 23. EMPLOYEE BENEFITS EXPENSE

Salaries and bonus EPF contributions SOCSO contributions Other benefits

Group			
<b>2009</b> 2008 RM RM			
5,462,071	5,153,957		
<b>619,929</b> 626,324			
<b>48,733</b> 50,773			
<b>990,270</b> 1,832,596			
<b>7,121,003</b> 7,663,650			

Company			
2009 RM	2008 RM		
698,580	702,582		
103,694	81,820		
9,027	7,982		
265,571	<b>5,571</b> 228,723		
1,076,872	1,021,107		

#### 24. DIRECTORS' REMUNERATION

# Directors of the Company Executive Directors

- salaries and others emoluments
- benefits-in-kind

#### **Non-Executive Directors**

- fees

Group				
2009 RM	2008 RM			
881,000	632,000			
29,479	36,900			
910,479	668,900			
170,000	194,000			
170,000	194,000			
1,080,479	862,900			

Company			
2009 RM	2008 RM		
245,000	68,000		
245,000	68,000		
170,000	194,000		
170,000	194,000		
415,000	262,000		

Directors' remuneration during the year are within the following bands below:

		Number of Directors			
		2009	2	2008	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors	
Directors of the Company					
Below RM 50,000	-	6	-	6	
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	1	-	-	-	
RM 250,001 - RM 300,000	1	-	1	-	
RM 300,001 - RM 350,000	-	-	1	-	
RM 350,001 - RM 450,000	1	-	-	-	

#### 25. INCOME TAX EXPENSE

Income Tax
Current
Tax recoverable arising from dividend income received
Over provision in prior year

Group			
2009	2008		
RM	RM		
-	_		
(123,407)	(506,333)		
(29,539)	(662,108)		
(152,946)	(1,168,441)		

Company			
2009 RM	2008 RM		
289,093	268,639		
-	-		
(29,539)	(349,333)		
259,554	(80,694)		

As at 30 June 2009, the Group has unutilised business losses of RM19,325,735 (RM16,648,363 in 2008) and unabsorbed capital allowance of RM1,012,741 (RM882,775 in 2008) respectively to set off against future taxable profits. As at 30 June 2009, the Company has no unutilised business loss and unabsorbed capital allowance to set off against future taxable profits (Nil in 2008).

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

Profit before tax
Taxation at statutory tax rate of 20% / 25% Expenses not deductible for tax purposes Income not subject to tax Tax incentives* Effects of tax credit arising from dividend received Over provision of income tax in prior year Utilisation of unrecognised tax losses brought forward Deferred tax assets not recognised during the year Tax (income) / expense for the year

Gr	Group		
2009 RM	2008 RM		
103,177	701,220		
505,603	588,359		
480,731 -	403,084 (25,109)		
(1,232,568) (123,407)	- (506,333)		
(29,539)	(662,108)		
246,234	(1,124,170) 157,836		
(152,946)	(1,168,441)		

Con	Company	
2009 RM	2008 RM	
936,717	859,094	
234,179 54,914	223,364 45,275	
	-	
- (29,539)	- (349,333)	
-	-	
259,554	(80,694)	
-		

<sup>\*</sup>A subsidiary was granted 100% tax exemption for a period of five years under the Promotion of Investment Act, 1986 (as amended) and Section 127 (3)(b) of the Income Tax Act, 1967 effective financial year 2008.

#### **26. DEFERRED TAX**

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

Unused tax losses Unabsorbed capital allowances

Group	
2009 RM	2008 RM
561,219	584,121
-	-
561,219	584,121

Company	
2009 RM	2008 RM
-	-



#### 26. DEFERRED TAX (Contd.)

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

Revaluation of leasehold land and buildings Capital allowances claimed in excess of depreciation

Group	
2009 RM	2008 RM
(499,295)	(519,267)
(61,924)	(64,854)
(561,219)	(584,121)

Company	
2008 RM	
-	
-	

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

Unused tax losses Unabsorbed capital allowances

Group	
2009 RM	2008 RM
3,573,476	3,054,951
204,441	177,909
3,777,917	3,232,860

Company	
2009 RM	2008 RM
-	-
-	
-	

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.

#### 27. EARNINGS PER SHARE

The earnings per share is calculated based on the profit attributable to equity holders of the Company of RM256,123 (RM1,926,996 in 2008) on the 60,000,000 (60,000,000 in 2008) ordinary shares of RM1 each in issue during the financial year.

#### 28. CONTINGENT LIABILITIES

#### **Corporate Guarantees**

Corporate guarantee given to banks for credit facilities granted to subsidiaries

Group	
2009 RM	2008 RM

Company	
2009 RM	2008 RM
20,214,479	17,403,640
20,214,479	17,403,640

#### 29. RELATED PARTY TRANSACTIONS

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

Management fee income from subsidiary companies Interest income from subsidiary companies Dividend income from subsidiary company

	Group	
	2009 RM	2008 RM
S	_	_
	-	

Company				
2009 2008 RM RM				
648,000	648,000			
876,335	588,334			
2,450,000	2,000,000			

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.

#### **30. 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, 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, are controlled by the 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

#### (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 2009. 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.

#### 30. FINANCIAL INSTRUMENTS (Contd.)

#### (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 incurring excessive costs. However, the Company believes that the carrying amount represents the recoverable value.

#### 31. 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.

#### 31. SEGMENT INFORMATION (Contd.)

#### (a) Business Segments (Contd.)

2009	Information Technology and Services RM	Telecommunications RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	76,832,261	-	-	-	76,832,261
Inter-segment sales	-	-	3,098,000	(3,098,000)	-
Total Revenue	76,832,261	-	3,098,000	(3,098,000)	76,832,261
Results  Segment results  Profit from operations  Finance costs  Income tax expense  Net profit for the year	3,863,066	(891,912)	806,917	(3,326,335)	451,736 451,736 (348,559) 152,946 256,123

2009	Information Technology and Services RM	Telecommunications RM	Others RM	Eliminations RM	Consolidated RM
Assets and liabilities					
Segment assets	63,038,191	38,058,939	56,167,949	(80,155,245)	77,109,834
Segment liabilities	48,119,391	12,855,420	18,622,428	(50,881,000)	28,716,239
Other information					
Capital expenditure	1,689,762	647,000	899,165	-	3,235,927
Amortisation of prepaid land					
lease payments	35,298	59,839	-	-	95,137
Depreciation	986,112	315,483	227,064	-	1,528,659
Non-cash expenses other than					
depreciation and impairment losses	3,796	-	-	-	3,796

#### 31. SEGMENT INFORMATION (Contd.)

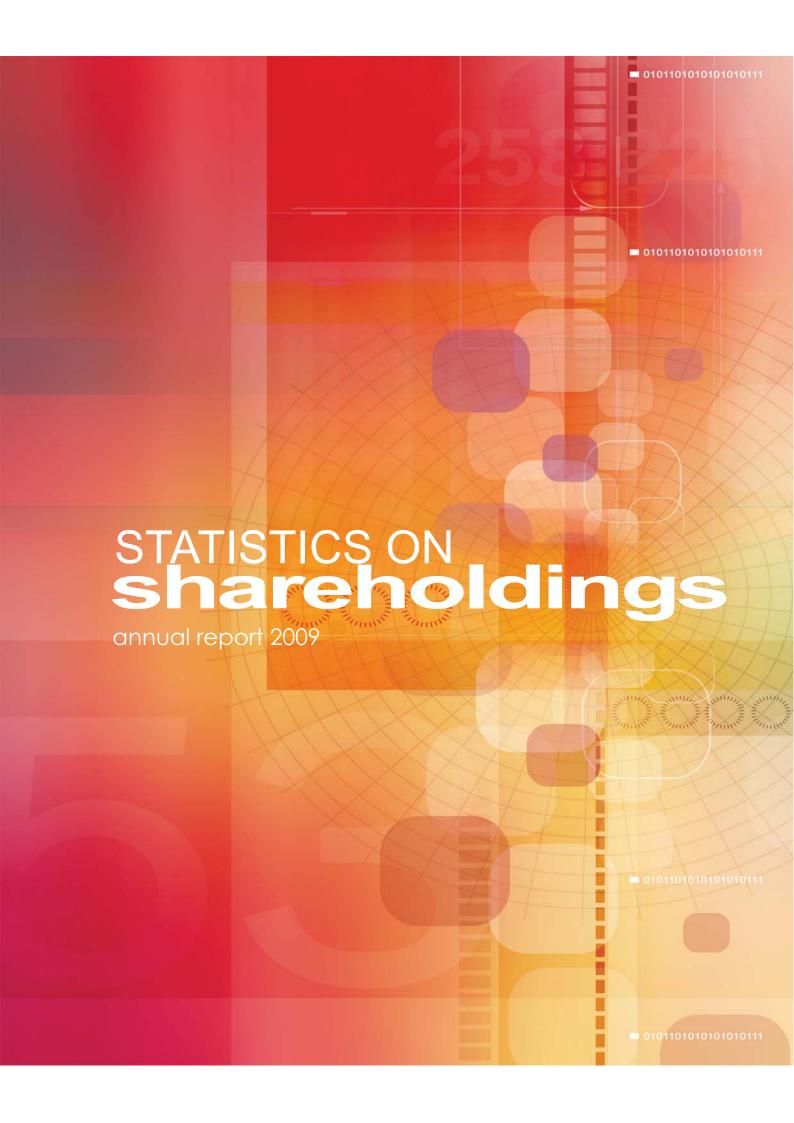
#### (a) Business Segments (Contd.)

2008	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

2008	Information Technology and Services RM	Telecommunications RM	Others RM	Eliminations RM	Consolidated RM
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 Amortisation of prepaid land	2,234,476	795,684	134,583	-	3,164,743
lease payments	35,298	59,839	-	-	95,137
Depreciation Non-cash expenses other than	716,434	87,715	197,909	-	1,002,058
depreciation and impairment losses	264,911	294,575	-	-	559,486

#### (b) Geographical Segments

	Malaysia RM	Brunei RM	Consalidated RM
Revenue from external customers			
2009	76,832,261	-	76,832,261
2008	58,398,182	1,018,492	59,416,674



# STATISTICS ON SHAREHOLDINGS

#### 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

: 1,811 No. of Shareholders

#### **ANALYSIS OF SHAREHOLDINGS**

#### A. Distribution of Shareholdings (as at 30 September 2009)

Size of Shareholdings	Shareholders	Shareholding	%
Less than 100	17	546	0.00
100-1,000	1,178	1,162,400	1.94
1,001 - 10,000	474	2,004,350	3.34
10,001 - 100,000	119	3,737,732	6.23
100,001 to less than 5% of issued shares	19	15,490,969	25.82
5% and above of issued shares	4	37,604,003	62.67
Total	1,811	60,000,000	100.00

#### B. List of Thirty (30) Largest Shareholders (as at 30 September 2009)

Names	No. of Shares	%
1. 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 bin Shafie	2,620,000	4.37
7. Graphics Divine Sdn Bhd	2,201,100	3.67
8. Mohd Shu'aib bin Hj Ishak	1,421,428	2.37
9. Rizuwan bin Mohd Murad	1,300,428	2.17
10. Teh Teaw Kee	589,600	0.98
11. Mazlifah binti Abdullah	548,800	0.91
12. Power Protection (M) Sdn Bhd	546,000	0.91
13. Mohd Salleh bin Lamsah	300,028	0.50
14. Fazlan & Amal Sdn Bhd	289,600	0.48
15. Ahmad Yasri bin Mohd Hashim @ Mohd Hassan	242,385	0.40
16. Affin Nominees (Tempatan) Sdn Bhd	186,000	0.31
Pledged Securities Account for Shiraz bin Shahidan (SHI0075C)		
17. Chiam Yoke Kee	130,000	0.22
18. Lim Kang Sing	130,000	0.22



# STATISTICS ON SHAREHOLDINGS

#### B. List of Thirty (30) Largest Shareholders (as at 30 September 2009) (Contd)

Names	No. of Shares	%
19. Kenanga Nominees (Tempatan) Sdn Bhd	127,000	0.21
Pledged Securities Account for Idris bin Abdullah @ Das Murthy		
20. TA Nominees (Tempatan) Sdn Bhd	125,700	0.21
Pledged Securities Account for Teh Teaw Kee		
21. Rohana binti 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 binti Ali Affandi	92,932	0.15
27. Kenanga Nominees (Tempatan) Sdn Bhd	87,700	0.15
Pledged Securities Account for Fathiah Abdul Rahman		
28. HLB Nominees (Tempatan) Sdn Bhd	81,000	0.14
Pledged Securities for Chin Peng Jin		
29. Kang Swee Huat	75,700	0.13
30. Wong Ah Nai @ Wong Yoke Ying	66,000	0.11

#### C. Substantial Shareholders (as at 30 September 2009)

(as shown in the Register of Substantial Shareholders)

Names of Substantial Shareholders		No. of Shares Held	%	Notes
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	7.92	

<sup>(</sup>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 2,092,800 held by the Company.

# STATISTICS ON SHAREHOLDINGS

#### D. Directors' Shareholding (as at 30 September 2009)

(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. Datuk Emam Mohd Haniff Emam Mohd Hussain	0	0	0.00
3. Dato' Abdul Halim Abdullah	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(b)	2.56
9. Fazlan Azri Tajudin	0	289,600(c)	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) Datuk Mohd Shu'aib Ishak is deemed interested in the shares held by his wife, Zulriana Zahari.
- (c) Fazlan Azri Tajudin is deemed interested in the shares held by Fazlan & Amal Sdn Bhd by virtue of his 25% interest therein.

  \* The computation of the above percentage (%) excludes the Treasury Shares of 2,092,800 held by the Company.

#### E. Directors' Shareholding in Subsidiaries and Associate Companies (as at 30 September 2009)

Directors	No. of Shares Held (Direct)	No. of Shares Held (Indirect)	%
Tan Sri Dato' Tajudin Ramli     Nil	-	-	-
Datuk Emam Mohd Haniff Emam Mohd Hussain Nil	-	-	-
Dato' Abdul Halim Abdullah     Nil	-	-	-
Dato' Abdul Malek Ahmad Shazili     Nil	-	-	-
<ol> <li>Dato' Hj Abdul Hamid Mustapha Nil</li> </ol>	-	-	-
Dato' Lim Kheng Yew     Nil	-	-	-
Dato' Bistamam Ramli     Nil	-	-	-
Datuk Mohd Shu'aib Ishak     Nil	-	-	-
9. Fazlan Azri Tajudin Nil	-	-	-



# GROUP PROPERTIES

# as at 30 June 2009

Location	Description/ Current Use of Building	Tenure/ Tenure Period	Date of Valuation	Approximate Age of Building (years)	Building Area/ Land Area (sq. meters)	Net Book Value (RM'000)
HS (D) 7111, Lot No. PT 12138, HS (D) 7112, Lot No. PT 12139 and HS (D) 7113, Lot No. PT 12140 Mukim of Dengkil, District of Sepang, Selangor.	Vacant land	Freehold	28 Mar 2007	-	18,704.60	8,645
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  Own Occupation (Office space)  Rented Out: (Restaurant)	Leasehold / 99 years expiring on 06.07.2085.	27 Mar 2007	15	1,002.00 / 334.18	2,687
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.	27 Mar 2007	15	852.02 / 284.18	2,400
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.	27 Mar 2007	14	700.11 / 289.82	2,145



# GROUP PROPERTIES

# as at 30 June 2009

Location	Description/ Current Use of Building	Tenure/ Tenure Period	Date of Valuation	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.	Terrace Shophouse  Own Occupation (Office space)	Leasehold / 99 years expiring on 07.07.2085.	27 Mar 2007	14	443.52 / 163.50	1,194
(No. 4 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur)						
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 (Office space)	Leasehold / 99 years expiring on 07.07.2085.	27 Mar 2007	14	443.52 / 163.50	1,914
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.	27 Mar 2007	15	474.43 / 153.28	1,127

# GROUP PROPERTIES

# as at 30 June 2009

Location	Description/ Current Use of Building	Tenure/ Tenure Period	Date of Valuation	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 • (Office space and Restaurant)	Leasehold / 99 years expiring on 06.07.2085.	27 Mar 2007	15	474.43 / 153.28	1,118
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.	27 Mar 2007	16	153.29 / -	384

# **PROXY FORM**

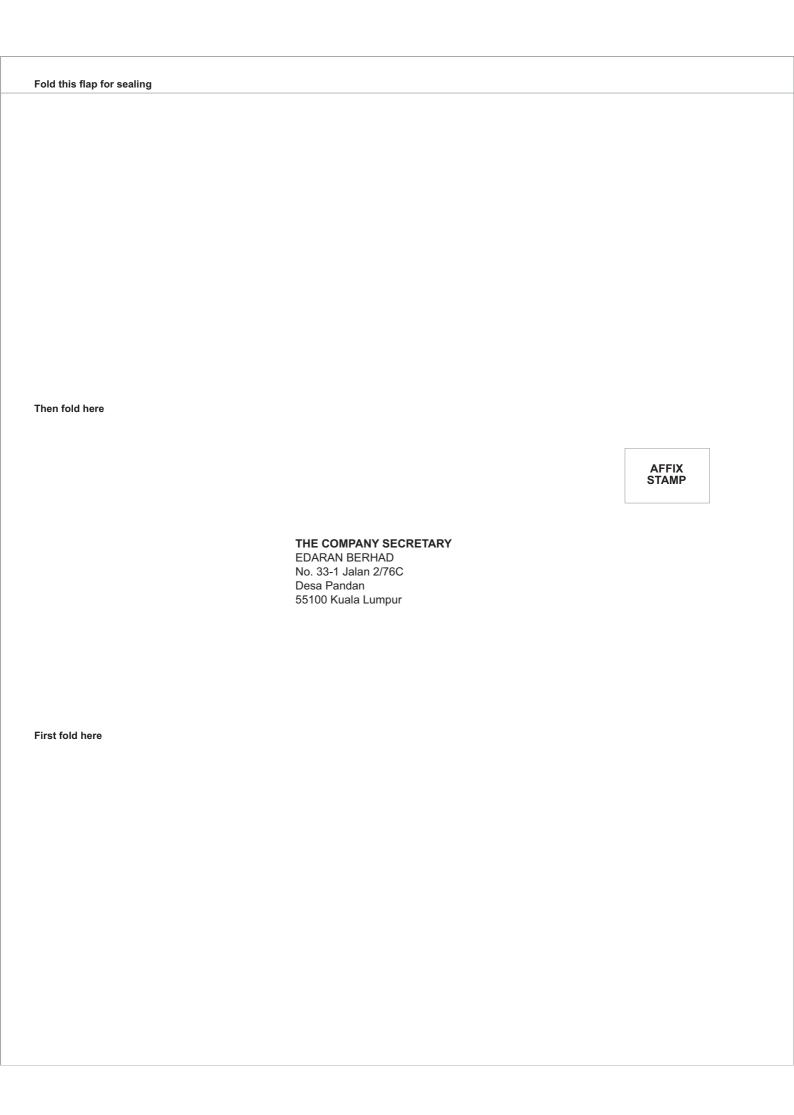
# Number of shares held: CDS Account No:

of	L.				
	be	eing a member / memi	pers of Eda	ran Bernad,	
,	NF	RIC No.			
or in his / her abs	sence, NF	RIC No.			
of					
50200 Kuala Lum	to vote for me/us on my/our behalf at the Seventeenth ay, 3 December 2009 at Mahkota II, BR Level, Hotel pur at 10.00 a.m. and at any adjournment thereof.	Annual General Meetin I Istana Kuala Lumpur	g of Edaran ; 73 Jalan F	Berhad to be Raja Chulan,	
wy / Our pro	oxy is to vote as indicated below :  RESOLUTIONS		FOR	AGAINST	
			TOIL	AGAIITOT	
RESOLUTION 1	To receive and adopt the Audited Financial Statemand the Group for the financial year ended 30 Junethe Directors' and Auditors' Reports thereon.				
RESOLUTION 2	To declare a First and Final Tax Exempt Dividend or respect of the financial year ended 30 June 2009.	of 0.78% per share in			
RESOLUTION 3	To re-elect a Director retiring under Article 101 of the Association:  • Datuk Emam Mohd Haniff Emam Mohd Hussain				
RESOLUTION 4	To re-elect a Director retiring under Article 101 of the C Association:  Dato' Abdul Malek Ahmad Shazili	Company's Articles of			
RESOLUTION 5	To re-elect a Director retiring under Article 101 of the C Association: • Fazlan Azri Tajudin	Company's Articles of			
RESOLUTION 6	To approve the payment of the Directors' fee for the 30 June 2009.	financial year ended			
RESOLUTION 7	To re-appoint Messrs. Parker Randall Mea as Audi and to authorise the Directors to fix their remunera				
RESOLUTION 8	To give authority to the Directors to issue shares Companies Act, 1965.	s under 132D of the			
(Please indica do so, the Pro	ate with an "X" in the spaces provided how yo oxy will vote or abstain from voting at his/her	u wish to cast your discretion.)	votes. If	you do not	
Signed this	day of 2009				

#### 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.





FDARAN 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.

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