

# the value of sustainability



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Even as profit creation and maximization remain the thrust of business, it is becoming increasingly expedient of business organisations to take the lead in promoting sustainability through sustainable ways of thinking, of producing, of using, of disposing, of organising, of marketing, of development and of action.

At EDARAN, this call to sustainability runs central to the company's business charter. We appreciate that the practice of sustainability translates to reduction of waste, higher economic value, higher productivity, better benefits, enhances public relations and promotes good will. We regard sustainability as sound business because it is essentially about next month's profit, it is about future value. We agree as well that leading companies will be those that provide goods and services that reach their customers in ways that address the world's challenges, especially the challenges of climate change, limited resources and loss of species. We believe that more and more, our value as a company will be measured not merely on the merits of its economic value but also by our contribution to sustainability and by our performance on the environmental and social fronts.

On a humanitarian front, we strive to practice sustainability of our habitats and surroundings because of the universal good that derives from these practices. At its most fundamental level, sustainability means a greener earth, more resources and a higher quality of life. For these reasons and several others, we uphold that environmental stewardship is obligatory upon all human beings. We maintain that it is the duty of every person to preserve their immediate environments, their natural heritage and natural resources by reducing their actions that destroy these life giving resources. Unless all human beings begin to appreciate the interdependence of man and all other creations of this planet for survival and harmony, our fear is that we may never learn the value and the exigency of sustainability in our world. And if at length we finally learn, we hope it may not be too late.

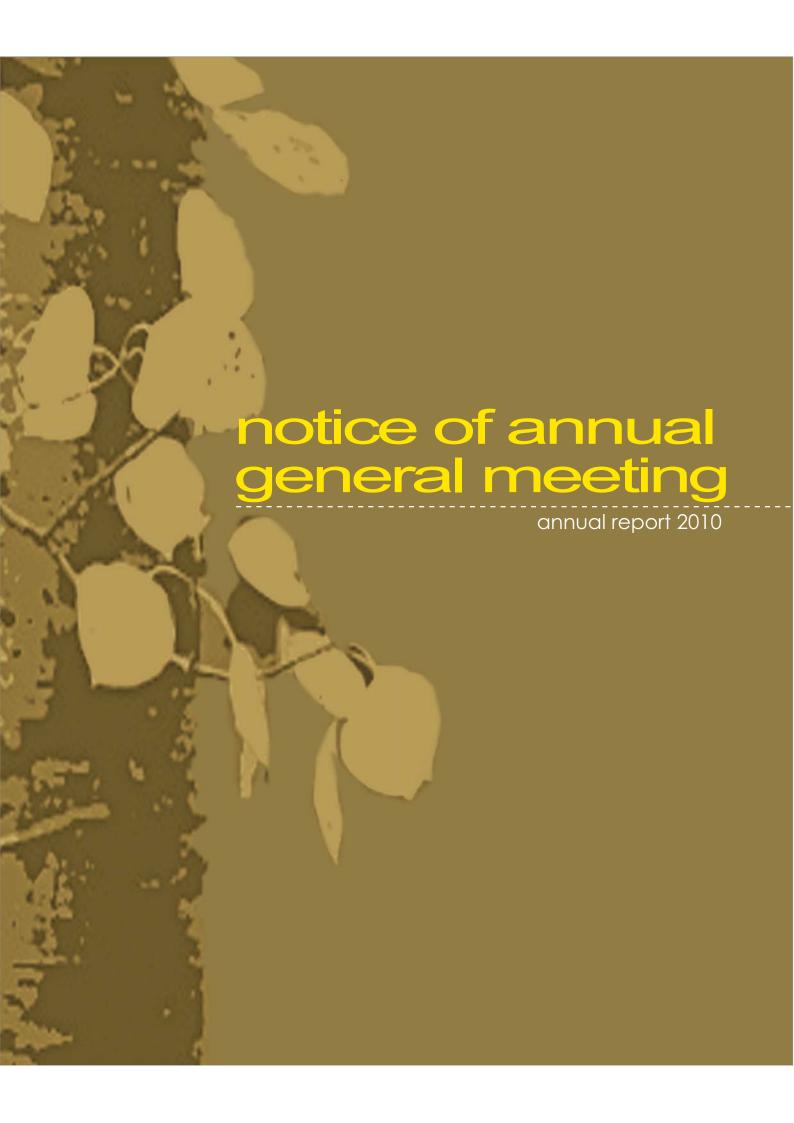
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# notice of annual general meeting

**NOTICE IS HEREBY GIVEN** that the Eighteenth Annual General Meeting of Edaran Berhad will be held on Thursday, 2 December 2010 at EDARAN Head Office, No. 2-6 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur at 10.00 a.m. to transact the following businesses:

### A. ORDINARY BUSINESS

 To receive and adopt the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2010 together with the Directors' and Auditors' Reports thereon.

Resolution 1

2. To declare a First and Final Tax Exempt Dividend of 0.78% per share in respect of the financial year ended 30 June 2010.

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 . Dato' Abdul Halim Abdullah Resolution 3

ii. Dato' Lim Kheng Yew Resolution 4

iii. Datuk Mohd Shu'aib Ishak Resolution 5

4. To approve the payment of the Directors' fee for the financial year ended 30 June 2010. Resolution 6

5. To appoint Messrs. McMillan Woods 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: Resolution 8

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

### C. ANY OTHER ORDINARY BUSINESS

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 8 November 2010



### 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), is a renewal of the mandate obtained at the last Annual General Meeting which was not utilised during the financial year.

Ordinary Resolution 8, 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 provide flexibility to the Comapny for any possible fund raising exercise including but not limited to placement of shares for the purpose of funding current and/or future investment project(s), working capital and/or acquisitions.

This authority, 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 Eighteenth Annual General Meeting, a First and Final Tax Exempt Dividend of 0.78% per share for the year ended 30 June 2010 will be paid on 27 December 2010 to Shareholders whose name appear on the Record of Depositors at the close of business on 30 November 2010.

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositors' Account before 4.00 p.m. on 30 November 2010 in respect of Ordinary Transfer; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.



# statement accompanying notice of annual general meeting

The following are details of the Board meetings held during the financial year ended 30 June 2010 and the attendance of the Directors thereat:-

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

Date	Time	Venue
19 Aug 2009	10.00 a.m.	
21 Oct 2009	10.00 a.m.	Board Room,
25 Nov 2009	10.00 a.m.	No. 32 Jalan 1/76C, Desa Pandan, 55100 Kuala Lumpur.
25 Feb 2010	10.00 a.m.	
27 May 2010	10.00 a.m.	Board Room, No. 2 - 6 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur.

### 2. Directors' attendance at Board meetings

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

Directors	Appointment	Attendance
Tan Sri Dato' Tajudin Ramli	01 Jun 1992	5/5
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	5/5
Dato' Lim Kheng Yew	12 Dec 2007	4/5
Dato' Bistamam Ramli	15 Dec 2000	5/5
Datuk Mohd Shuʻaib Ishak	15 Dec 2000	5/5
Encik Fazlan Azri Tajudin	23 May 2006	4/5

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

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

### DATO' ABDUL HALIM ABDULLAH

Independent, Non-Executive Director

### **DATO' LIM KHENG YEW**

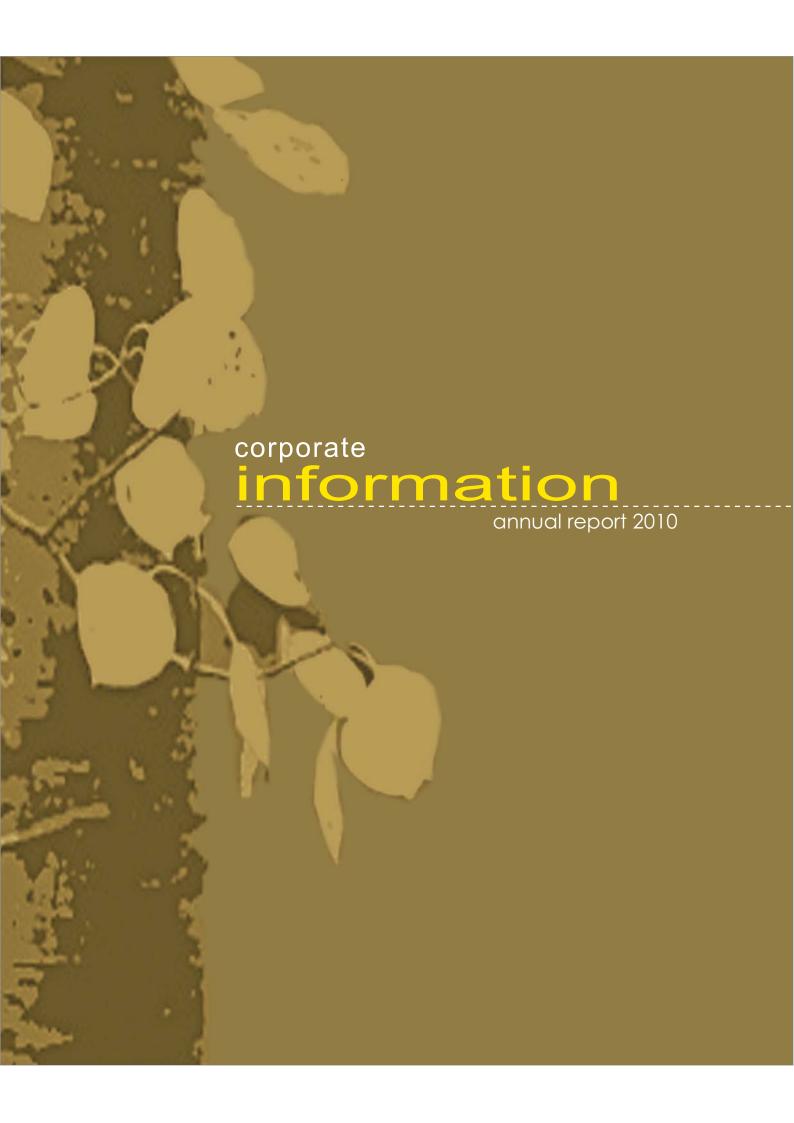
Independent, Non-Executive Director

#### DATUK MOHD SHU'AIB ISHAK

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

### EDARAN GROUP

### **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 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor

Tel: 03-7841 8000 Fax: 03-7841 8151 /03 7841 8152

Principal Bankers:

Malayan Banking Berhad CIMB Bank Berhad

Bank Muamalat Malaysia Berhad

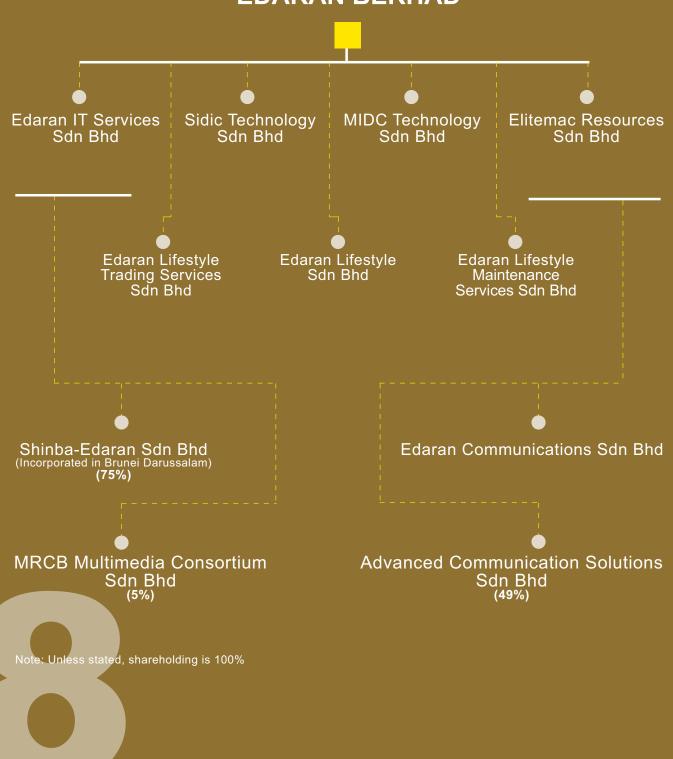
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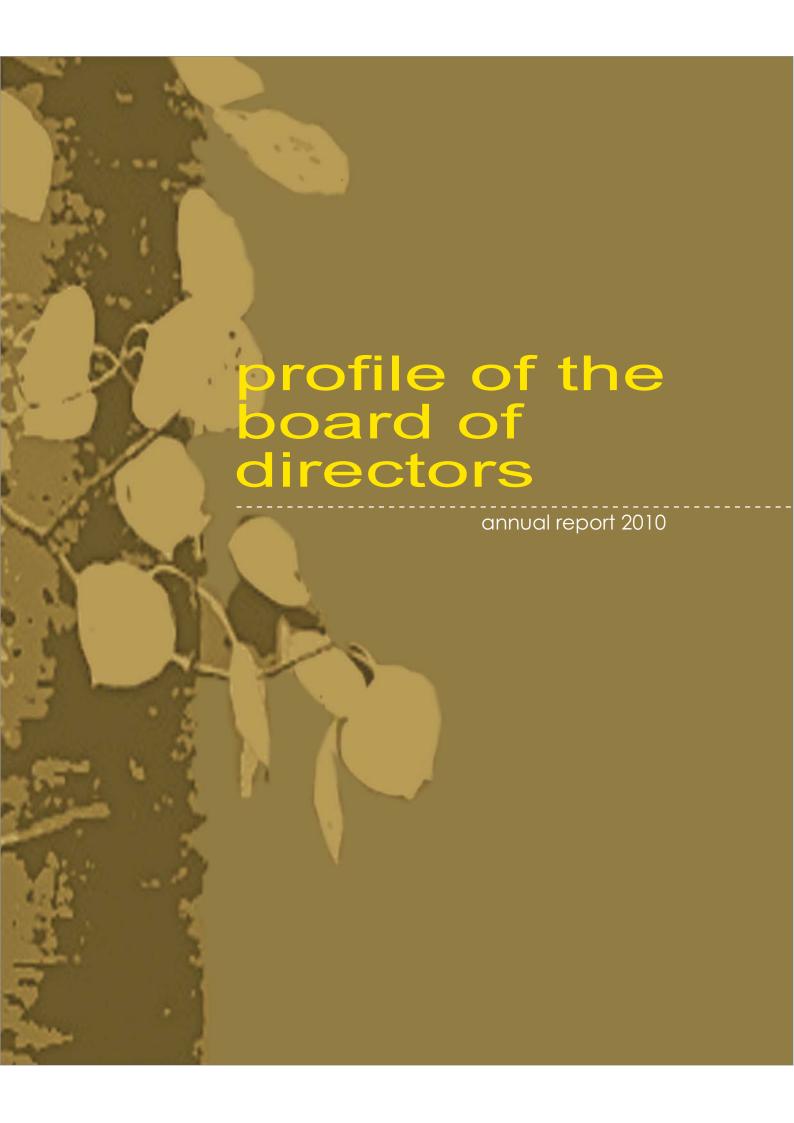
Main Market

Bursa Malaysia Securities Berhad

# EDARAN GROUP

### **EDARAN BERHAD**







### 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 64, 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 68 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 and Lion Corporation Berhad.

## PROFILE OF THE board of directors



### DATO' ABDUL HALIM ABDULLAH

Independent Non-Executive Director

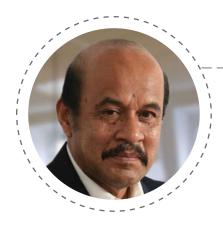
Dato' Abdul Halim Abdullah, a Malaysian, was appointed to the Board of EDARAN Berhad on 15 December 2000. He was appointed Chairman of the Audit and Nominating Committees on 3 October 2001 and was subsequently appointed Chairman of the Remuneration Committee on 27 May 2004. He relinquished his position as Chairman of the Nominating Committee on 26 November 2008. Aged 64, 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 63, 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 64, 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 59, 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 48, 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 51, 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

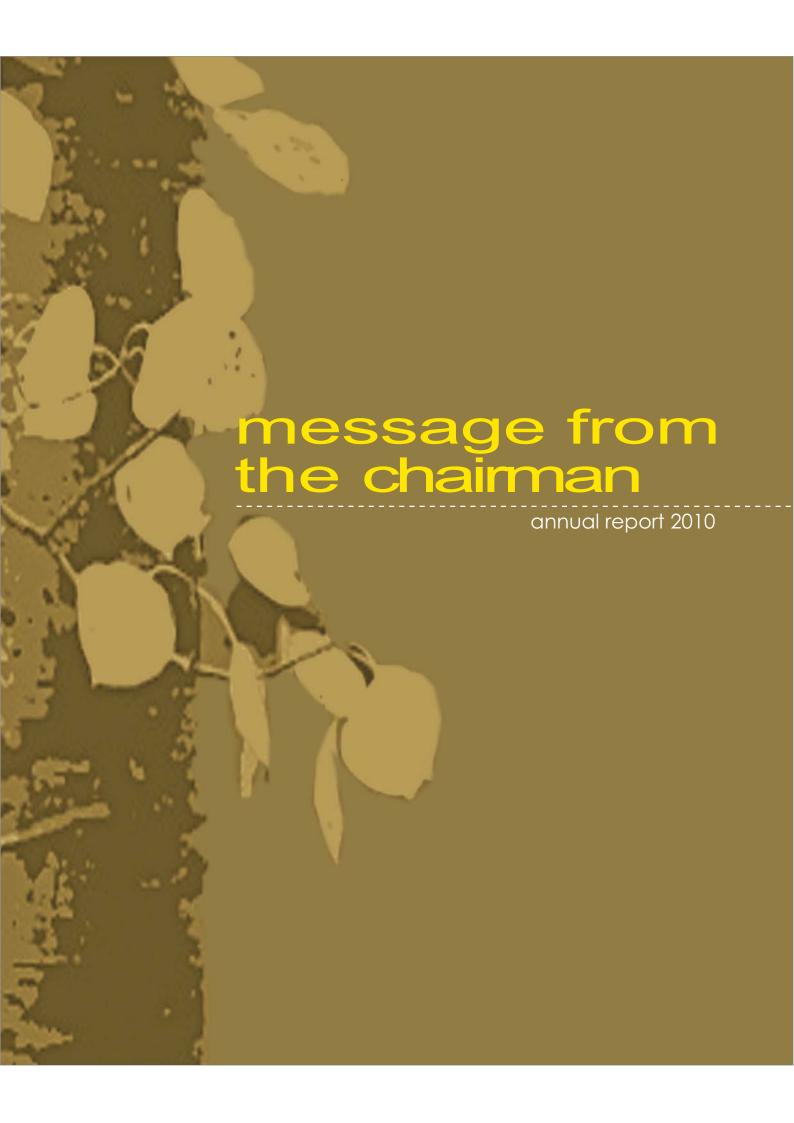
Executive Director

Fazlan Azri Tajudin, aged 35, 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.











# Valued Shareholders and Partners,

I am happy to present to you the Annual Report of EDARAN Berhad for the financial year ended June 2010.

### Financial Performance

EDARAN maintained an acceptable level of activities and sustained its overall performance as companies regained confidence following the economic crisis and cautiously relaxed control over their operating budgets. Over the period in review, the Group recorded a total revenue of RM 57.09 million down from RM76.83 million in 2009. The decrease was due in part to more calculated and constricted spending in the market. Net profit after tax increased from RM256 thousand to RM415 thousand while earnings per share rose to 0.69 sen, up from 0.43 sen in the previous financial year.

### Expanding Beyond IT

The global economic crisis that followed the US financial crisis affected most business sectors across the globe. The IT industry was not spared. Even as IT remains an important and growing sector, the Group will continue to explore and expand its business activities into lucrative non-IT sectors. EDARAN's initial ventures into the realm of non-IT areas such as lifestyle development and lifetyle services have been encouraging. As communities become more exposed to innovations, new technologies and new knowledge, the demand for smart lifestyle solutions, services and products will increase. As EDARAN explores non-IT related areas, it has an eye cast on oppotunities such as those. Nevertheless EDARAN will tap cross synergies from within the Group to maximise resources and skills so as to deliver a high level of quality and productivity in all our activities.

### IT in the Wake of the Financial Crisis

IT per se, will retain a strategic role as a key enabler and a pivotal element of infrastructure for productivity and efficiency. IT will no doubt continue to play a significant role in laying the foundation for long term economic and social development.

"Even as IT remains an important and growing sector, the Group will continue to explore and expand its business activities into equally lucrative non-IT sectors."

"In the longer term, we see IT becoming a significant source of innovations and value-added applications as it becomes more and more embedded in all economic, social and cultural activities of society."

Indeed, the role of IT takes on added significance as the world moves more and more into the 'green' era, ushered in by concerns over the global challenges of climate change, depleting energy resources and health issues. Besides supporting economic growth, IT will be increasingly primed to play a big role in fostering environmental and social sustainability as an enabling infrastructure. To this end, IT continues to facilitate greater access to basic services and facilities offered by all segments of society, improving as well the ways these basic services such as education, health care and financial services are delivered to citizens.

In the short to medium term, EDARAN will look to opportunities that will arise because of a greater dependence on IT and its centrality in business, government and society in a time of economic contraction.

In the longer term, we see IT becoming a significant source of innovations and value-added applications as it becomes more and more embedded in all economic, social and cultural activities of society.

### Growing along the Sustainability Curve

EDARAN will seek out value that will be unleashed in the pursuit of sustainability across all sectors of society. Beginning within the organisation, sustainable practices as basic as reducing wastage and recycling resources are recognised as a start towards value creation. The observance of sustainable practices stems from the company's group-wide Charter, which espouses the universal principle of reverence for God and reverence for all things created. In Islam, this is encapsulated in the principle of '...hablimminAllah wa hablimminannas..'. For us at EDARAN, this widely encompassing principle prescribes that as individual citizens of this planet and as a collective corporate body, we must strive to minimise harm and destruction to our environment. We believe that sustainability begins within the individual.

As a competitive force, sustainability is already changing the world, bringing with it completely new ways to operate businesses and new ways to produce and deliver goods and services. More and more, businesses will be driven by sustainability strategies which lead to the creation of long term value for all stakeholders. It becomes essential for EDARAN to move forward along the same route, appreciating customers' sustainable strategies and helping them to optimise their operational environment to derive efficiencies and ultimately, value.

EDARAN through its IT division continues to play a significant role in helping customers optimise one of the most vital aspects of their operating environment - their IT environment. The evolving patterns and dynamics of the business world translate to the need for EDARAN to keep acutely abreast with new knowledge and new possibilities in IT in order to deliver fitting and relevant solutions to its customers. To that end, EDARAN remains faithful to its principle of consistently pursuing new knowledge, upgrading the skills of its people and expanding the spectrum of competencies in the company.

### Edaran Lifestyle for Environmental Sustainability

The cause of sustainability is carried beyond economic sustainability into the equally critical dimension of environmental sustainability through EDARAN's Lifestyle division. Edaran Lifestyle has succesfully completed a collaborative project with UNDP Malaysia in the area of marine biodiversity. The project was Edaran Lifestyle's response to the urgent need to sustain our country's precious marine biodiversity. Edaran Lifestyle and UNDP Malaysia embarked on the project with the objective of raising awareness of the fast diminishing marine wealth in the waters of the Redang Archipelago, off the coast of Terengganu. Entitled "The Treasures of Terengganu", the project involves the documentation of the state of the coral reefs, a precious marine eco system that sustains marine life and inevitably, the human population.

"More and more, businesses will be driven by sustainability strategies which lead to the creation of long term value for all stakeholders. It becomes essential for EDARAN to move forward along the same route, appreciating customers' sustainable strategies and helping them to optimise their operational environment to derive efficiencies and ultimately, value."

One of the major accomplishments of the project was the production of Malaysia's first coral reef map complete with a geographic information system. This crucial and essential information is now available to facilitate further research and monitoring studies of our marine environment particularly that of Pulau Redang's. This benchmark study will serve as important reference material for the purpose of conserving and sustaining the health of all of the country's coral reefs. Although the project is merely a diminutive attempt in environmental sustainability, Edaran Lifestyle believes that the project mission is significant enough to trigger more efforts towards the cause. The ensuing benefits of sustaining the marine biodiversity of Redang's waters include sustaining the livelihoods of the immediate communities and stakeholders of Redang. In the longer run, a sustainable and healthy reef environment benefits the larger community who depends on the reefs and its myriad resources, in one way or another. UNDP Malaysia and Edaran Lifestyle hold the hope that their joint-programme will prompt more concerted efforts to minimise destruction of our life sustaining environment, whether it is our terresterial, marine or aerial environment.

### Sustainable Corporate Social Responsibility

It is our view that the concept of corporate social responsibility, by and large, has not been adequately interpreted, hence, its larger purpose and intent is not fully achieved. We cannot totally deride the sporadic and random acts of charities that are often passed off as fulfillment of corporate social responsibilities. While such acts do indeed bring immediate help to some fortunate beneficiaries, they lack the vital elements of sustainability and continuity. EDARAN maintains that being socially responsible must in itself be a sustainable intention and act. Thus we will continue to execute our social commitment in

ways that may generate protracted effects of the benefits to society.

EDARAN essentially, was formed with the primary intention of helping young graduates by providing them a platform to put into practice their knowledge and competencies in IT. We will continue to provide the avenues and opportunities for the application and pursuit of knowledge, with the aim of developing quality human resources, beneficial to our society. Emphasis on continual professional training as well as development of the humanistic aspect of our employees vis-à-vis, the enculturation of values and ethics will remain a priority within the company.

The company's internship programme, designed in part as a social responsibility service to the community, is a programme that aims to give undergraduates and fresh graduates opportunities for a headstart in their careers. The initiative has been well received by many local institutions of higher learning. Heeding the lament of corporate institutions that most fresh graduates need to undergo a period of re-skilling and purposeful training before they are productive, EDARAN provides the opportunities for its interns to be involved as much as possible in real work situations, offering them a foretaste of the competitive environment and the challenges they would eventually face as employees.

We also recognised that 'The Treasures of Terengganu', the recently completed project of Edaran Lifestyle, was an opportunity for the Group in the direction of corporate social responsibility to the community. Notwithstanding the fact that raising awareness on the state of our diminishing marine biodiversity needs to be a more concerted and continued effort, the long term good that shall be derived from that project will surely reach an extended circle of stakeholders and the larger community of the country. EDARAN will continue to seek out such opportunities to discharge its corporate social duties.

We maintain that being socially responsible must in itself be a sustainable intention and act. At EDARAN, we will continue to execute our social commitment in ways that may generate ripple and protracted effects of the benefits to society.

### Moving Forward

Within the IT sector, we remain optimistic that momentum will eventually pick up in the industry. In Malaysia, the IT industry is encouraged by the country's still low PC penetration, rising income, the government's focus on high-tech national development and generally an IT friendly budget. We hope that the IT industry will be further boosted by economic stimulus packages although effectiveness of those packages still depends on the speed of recovery of the overall economy.

There are pockets of growth in the PC market including entry-level servers for small businesses. We envisage that demand for PC's and notebooks will increase with higher penetration into the education sector. The increasing number of universities and colleges in the country is also an indication of an imminent upward trend on hardware expenditure. The use of the internet for business transactions and communication is extending beyond the private sector into the public sector. This augurs well for EDARAN whose larger market has traditionally been the public sector. We will also seek out new opportunities among new entrants to business as well as small to medium size organisations whose expenditure in IT is expected to grow with the size of the business.

In the area of non-IT businesses, EDARAN will look to expand its involvement in lifestyle development and maintenance services as well lifestyle trading activities. In this large and all encompassing lifestyle segment, there remains potential waiting to be tapped.

### Appreciation

Once again, I wish to express my deepest appreciation to all who have helped EDARAN meet the challenges of the year and come out of them more resolute.

To all our valued customers, thank you for your support and your confidence. As always, you are the reason for our determination to become better.

To the Staff and Management and the Board of Directors, my heartfelt thanks for your commitment towards sustaining and improving the company. Every single contribution of yours, be it ideas, effort, time or dedication, has gone into making us a more sustainable and effective company.

Last but not least, I wish to thank all our business partners and associates who have, in so many different ways, extended our reach and effectiveness in the industry.

Thank you to all of you.





### review of operations

### ABOUT THE GROUP

Since its establishment, EDARAN has been shaping itself into a respectable company in the IT industry, honing its competencies in a wide spectrum of ICT services and solutions. EDARAN grew with the country's push for greater penetration of computerisation and the use of IT solutions in the development and growth of the economy. The company's mission to help create a more progressive society using the possibilities of IT has never wavered.

One of the company's more notable programmes towards that end has been the implementation of the Royal Malaysian Customs (Kastam Diraja Malaysia [KDRM]) Customs Information System [Sistem Maklumat Kastam (SMK)]. Till this present day the SMK serves as KDRM's backbone information system that plays a crucial and key role in the facilitation of import and export of goods 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 unique needs of the corporate and commercial environment. EDARAN has built up its strengths on its past achievements over the last 20 years. while its prudent management style has enabled the company to ride the tide of changes in the economy, The company has grown from merely vendoring computer hardware and installing systems to providing a full gamut of IT services and solutions needed to keep organisations and businesses functioning efficiently and productively. Understanding fully well that change is the only constant in the perpetually evolving world of IT, EDARAN is mindful of the need to stay ahead of the curve by continually improving and reinventing itself to remain relevant and effective to its customers. The company continues to explore new and non traditional market sectors, knowing that all areas will benefit with the advancements and possibilities brought about by IT technology.

Following the decision to expand its scope of business, EDARAN has been pursuing opportunities in various areas that require a high degree of IT. Among these is the broad and encompassing area of lifestyle. EDARAN recognises that the highest value in this area can be tapped by the introduction and application of enabling IT solutions.

EDARAN subscribes to the principle that a successful and sustainable business must be premised on the platform of

knowledge and more significantly on the intelligent application of knowledge. To that end, EDARAN will continue acquiring new knowledge and applying it for the benefit of all stakeholders. For as long as EDARAN recognises that knowledge is the key to progress and sustainability, knowledge will remain the true competitive edge of the company.

The Group is also consciously guided by a set of values and ethics embodied in its Group Charter. The Group holds particularly to the principles of keeping its promises to all stakeholders and delivering quality that surpasses the expectations of the customer.

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 the pursuit of success. EDARAN continues to hold to its philosophy of respecting our fellow human beings and the environment. Sustainability as defined by EDARAN is all encompassing, extending to include sustainability of human values, talent, the environment as well as sustainability of performance and profitability.

The Group is consciously guided by a set of values and ethics embodied in its Group Charter. The Group holds particularly to the principles of keeping its promises to all stakeholders and delivering quality that surpasses the expectations of the customer.

### 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, 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

These efforts have resulted in EDARAN being awarded new projects by Jabatan Kastam Di Raja Malaysia (Royal Malaysian Customs), UiTM and the Ministry of Health. EDARAN has also managed to secure projects from new customers such as Petronas, Employees' Provident Fund(EPF), Kolej Islam Pahang Sultan Ahmad Shah and Universiti Teknologi Malaysia. The IT Division of the Group intends to heighten efforts to provide better customer service and offerings as well as seek ways to improve its level of service to the customer and ultimately, to further grow its business volume in the future.

Initiatives by the Government such as those identified under the New Economic Model and the National Broadband Plan will open up opportunities for growth in the ICT sector. EDARAN IT intends to explore business opportunities in selected areas such as Cloud Computing, applications running over broadband, network management and internet security to further enhance its value added offerings to customers. EDARAN IT will continue to work with strategic partners to jointly provide unique solutions that can be offered to customers.

To further enhance operational efficiency and improve response time to customers, EDARAN IT has improved its internal processes and developed new innovative approaches such as automated SMS alerts to all its service personnel nationwide to respond promptly to reported problems. These improvements have substantially helped us fulfill our promises contained in the Service Level Agreements. They have also helped to improve our resource allocation and deployment. EDARAN IT will continue to enhance its approach and introduce new technologies and systems to raise the Division's operational efficiency.

EDARAN IT also intends to add new solution offerings to its portfolio. These would include network bandwidth management, virtualisation and data leakage solutions to meet the increasing needs of customers and to better manage its IT investment in a secure and efficient manner.

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.

...the Lifestyle Division will seek out the abundant opportunities that reside in the wealth of our country's offerings of natural beauty, heritage, culture and lifestyles of the people.

#### LIFESTYLE DIVISION

Lifestyle development and lifestyle services continues to be an area that the Group will focus on to expand the company's business activities and growth. Edaran's Lifestyle division recognises that the demand for more sophisticated lifestyle products and experiences will increase as societies around the world become more knowledgeable and connected. Increased knowledge will hence continue to shape the way society thinks, make choices and use or consume products.

The Division's three enterprise units, namely Edaran Lifestyle, Edaran Lifestyle Trading and Services and Edaran Lifestyle Maintenance Services are driven by one common goal to improve the standard and quality of life of the communities they serve. True to the principles embodied in EDARAN's Group Charter to which this Division strongly subscribes, the Lifestyle team is mindful that all its activities and projects must adhere to the principle of minimal destruction to the environment.

Edaran Lifestyle Sdn Bhd was involved in a collaborative effort with UNDP Malaysia to document and create awareness of the state of health of marine biodiversity in the waters of Pulau Redang, off the coast of Terengganu. The effort which was initiated towards the end of the previous year has led to the production of Malaysia's first coral reef map, a vital documentation of data on the marine wealth of the Island.

The Pulau Redang project will be presented in a soon-to-be published coffee table book entitled 'The Treasures of Terengganu'. This publication is a dedicated effort to inspire stakeholders of Pulau Redang's marine heritage and to help them and the public at large to appreciate and conserve the natural treasures of Terengganu. It is Edaran Lifestyle's hope that this effort represents the first step towards a bigger programme to document the status of marine biodiversity in all the other reef sites of Terengganu and indeed of Malaysia.

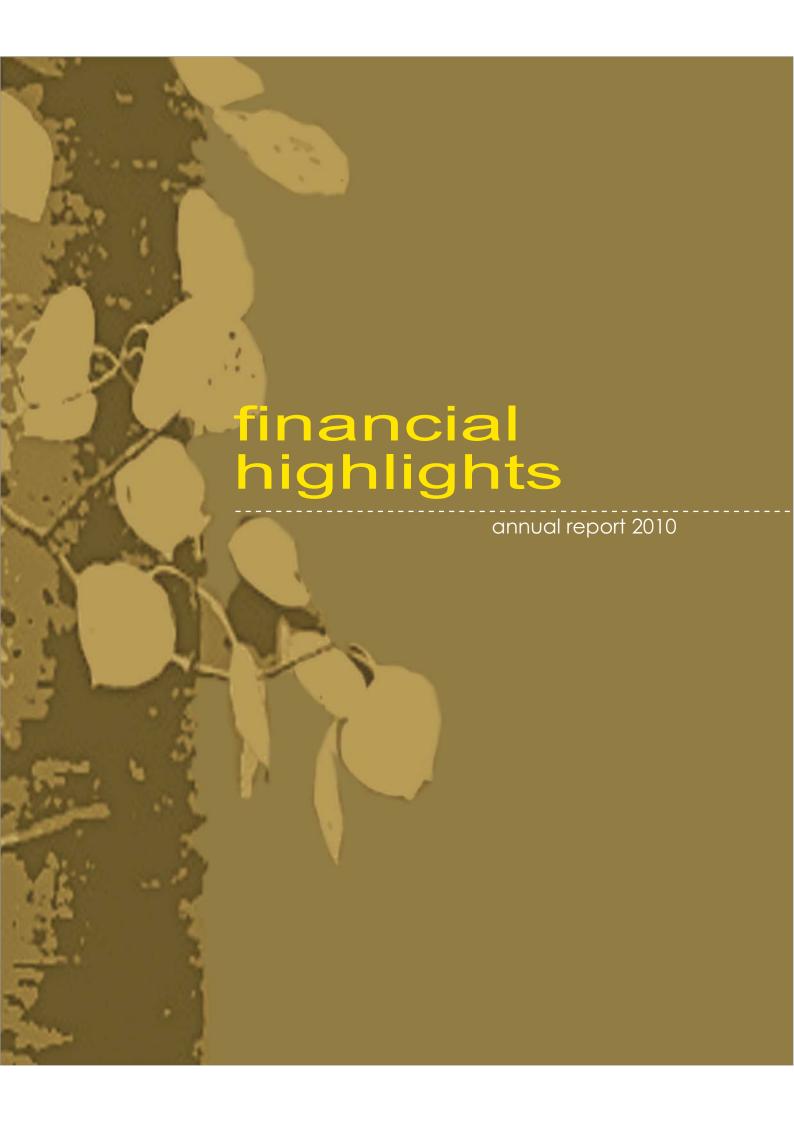
### review of operations

Edaran Lifestyle Trading and Services has successfully ventured into the regional market. Since the middle of 2010, Edaran Lifestyle Trading and Services has been supplying wet timber to a company in Medan, Indonesia, who, in turn, processes the timber into semi-finished furniture products for the European and Asian markets. This venture in Medan establishes the Company's regional presence and will facilitate the Company's efforts to penetrate the larger Indonesian market.

.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...

Collectively, the Lifestyle Division will seek out the abundant opportunities that reside in the wealth of our country's natural environment, heritage, culture and the indigenuos lifestyles of the people. The Division as a whole will pursue activities that enhance the lifestyle experiences of the society as well as the natural and inherent offerings of the country.

The Division will continue to explore other aspects of the lifestyle industry with a view to improving the lives of communities it touches. It will leverage on the Group's resources, particularly the Group's IT expertise to bring unique experiences, products and services to its markets. The Division will welcome opportunities to work in close collaboration with organisations both public and private. 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.



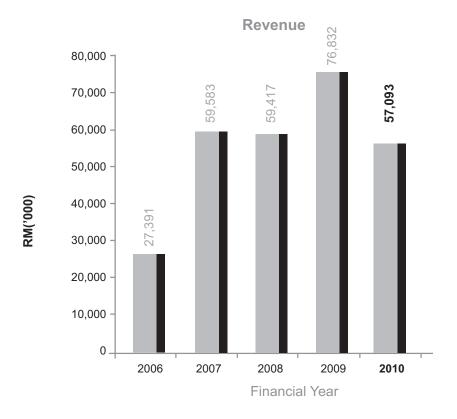
# financial highlights as at 30 June 2010

### **Five Years Group Financial Highlights**

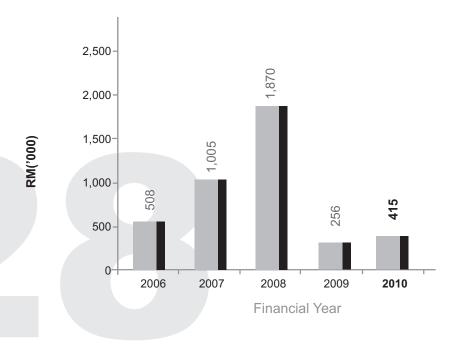
	2010 (RM'000)	2009 (RM'000)	2008 (RM'000)	2007 (RM'000)	2006 (RM'000)
INCOME STATEMENT					
REVENUE	57,093	76,832	59,417	59,583	27,391
Profit before taxation	54	103	701	1,041	508
Taxation	361	153	1,169	(36)	-
Profit after taxation	415	256	1,870	1,005	508
Net Earnings per share (sen)	0.69	0.43	3.21	1.68	0.85
BALANCE SHEET					
Shareholders' Fund	48,305	48,394	48,505	47,723	45,963
Net Current Assets	17,852	23,667	25,378	26,451	27,397
Total Assets	68,273	77,110	69,468	70,506	61,136
Long Term Debts	1,172	1,967	1,967	1,784	2,453
Net Assets per share (sen)	0.81	0.81	0.81	0.80	0.77

### financial highlights

as at 30 June 2010



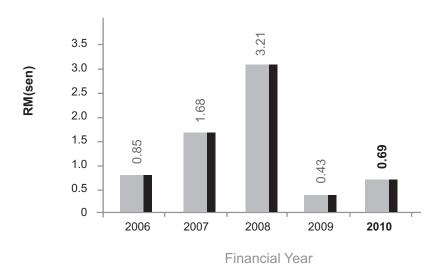
**Profit After Taxation** 



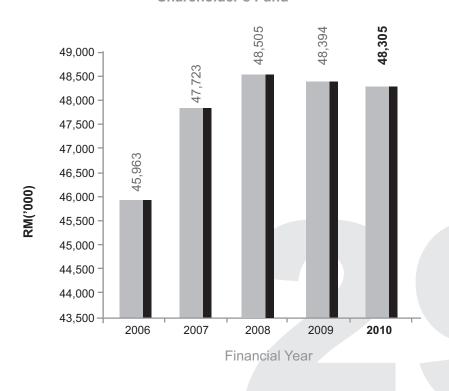
### financial highlights

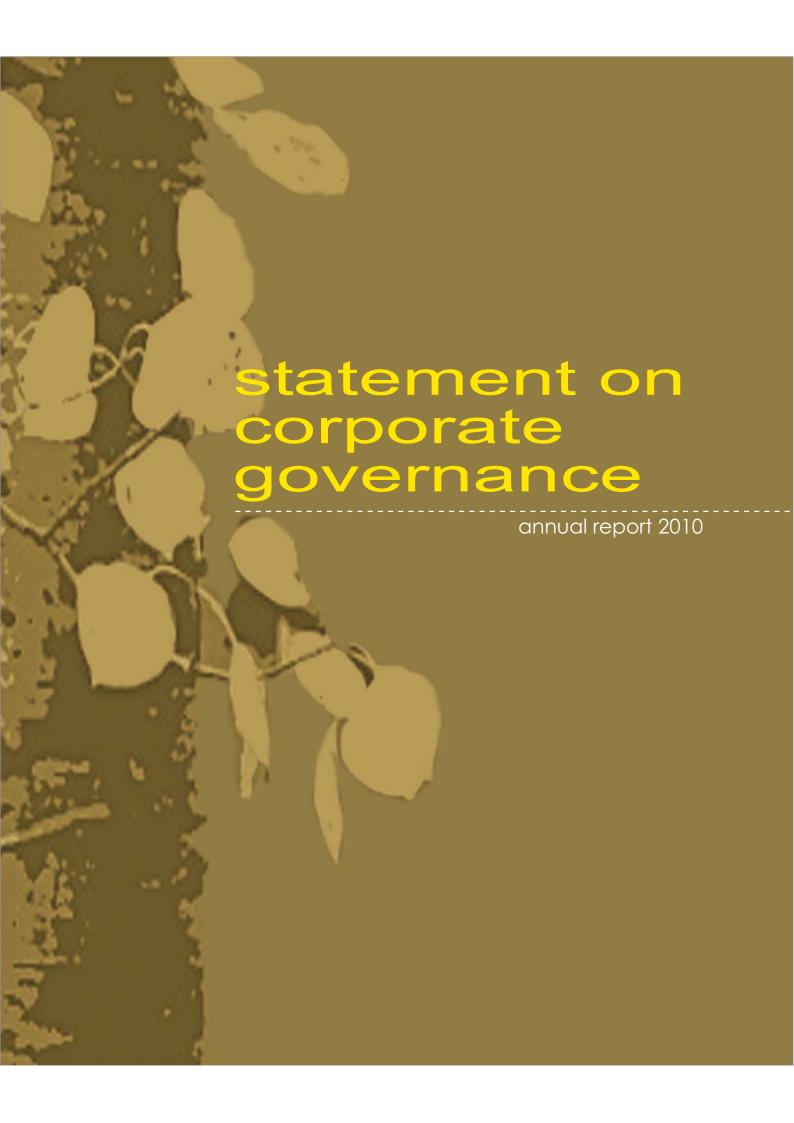
as at 30 June 2010

### Net Earning per share (sen)



### Shareholder's Fund





# statement on corporate governance

The Group acknowledges the importance of corporate governance practices in protecting and enhancing stakeholder value, increasing investors' confidence, establishing trust and building a competitive organisation. The Board of Directors ("Board") is committed to ensuring that the Principles and Best Practices in Corporate Governance established by the Malaysian Code on Corporate Governance ("Code") are fully complied with in order to protect and enhance the interest of all stakeholders. In line with this, the Board continues to conduct its business with integrity and exercises a high level of transparency and objectivity.

The Board's fundamental approach to good corporate governance is to ensure that the right executive leadership, business strategy and internal controls are in place. The Board subscribes to the belief that self-regulation in tandem with observance of statutory requirements is pivotal to sound corporate governance.

#### 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 2010, 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 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

# statement on corporate governance

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.
- 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.

The Group led by the Board, conducted a series of sessions in the beginning of the year to establish a charter for the Group. The initial sessions which sought to define the Group's overarching vision, philosophy, ethics and principles that would form the basis of the Group Charter, were held among the Directors. Participation in the sessions was eventually extended to the executives and senior members of the Management who deliberated upon the draft. Charter.

The individual department sessions culminated in a companywide session presided by the Chairman, Tan Sri Dato' Tajudin Ramli who declared that the Charter shall henceforth serve as the guide for the Group's activities.

Subsequently, the respective Heads of Department in the presence of members of the Board cascaded the messages and content

of the EDARAN Group Charter to their individual departments. The ultimate objective would be to realise the purpose of the Charter by integrating it into the human resource development plan and the annual business plan of the Group.

### **Committees Established by the Board**

The Board has established four 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.

# statement on corporate governance

#### 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.

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**

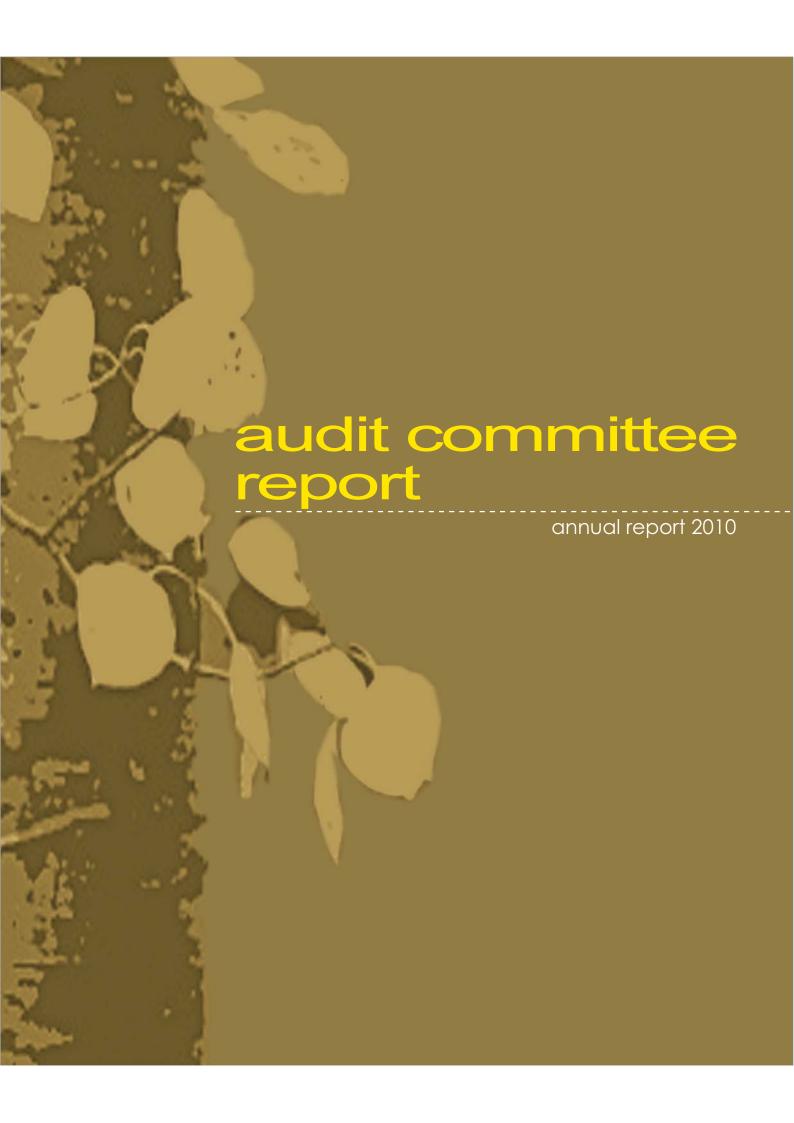
The Board aims to present a balanced, clear and meaningful assessment of the Group's financial position and prospects in all their reports to shareholders, investors and regulatory authorities. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy 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.



## audit committee report

#### 1. COMPOSITION

The Audit Committee members were appointed by the Board of Directors from amongst its Non-Executive Directors and consist of not less than three members at all time. All of the Audit Committee members are independent directors and 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.

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. ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR

During the financial year, a total of five Audit Committee meetings were held on the following dates:

Meeting No.	Date	Time
04-09	18 August 2009	10.00 a.m
05-09	20 October 2009	10.00 a.m
06-09	24 November 2009	10.00 a.m
01-10	24 February 2010	02.00 p.m
02-10	26 May 2010	10.00 a.m

The details of attendance of each member at the committee meetings held are as follows:

Composition and Name of Members	Attendance at Meetings
Dato' Abdul Halim Abdullah Chairman / Independent, Non-Executive Director	4 of 5
Datuk Emam Mohd Haniff Emam Mohd Hussain Member / Senior Independent, Non-Executive Director	5 of 5
Dato' Lim Kheng Yew Member / Independent, Non-Executive Director	4 of 5
Dato' Abdul Malek Ahmad Shazili Member / Independent, Non-Executive Director	5 of 5

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 2009.
- Reviewed the draft announcements to the Bursa Malaysia Securities Berhad on the quarterly report of the Group for the financial quarters ended 30 June 2009, 30 September 2009, 31 December 2009 and 31 March 2010.

## 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.

## audit committee report

- Full and unrestricted access to any information pertaining to the Group.
- Direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.
- Independent professional or other advice, as deemed necessary.
- The rights to convene meetings with the external auditors, excluding the attendance of the Executive Members of the Committee.
- To report to the Bursa Malaysia Securities Berhad should the Committee opine that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Bursa Securities 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 2010 was approximately RM117,700.

The internal audit function is guided by its Audit Charter and reports directly to the Audit Committee. 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 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 2010, 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.

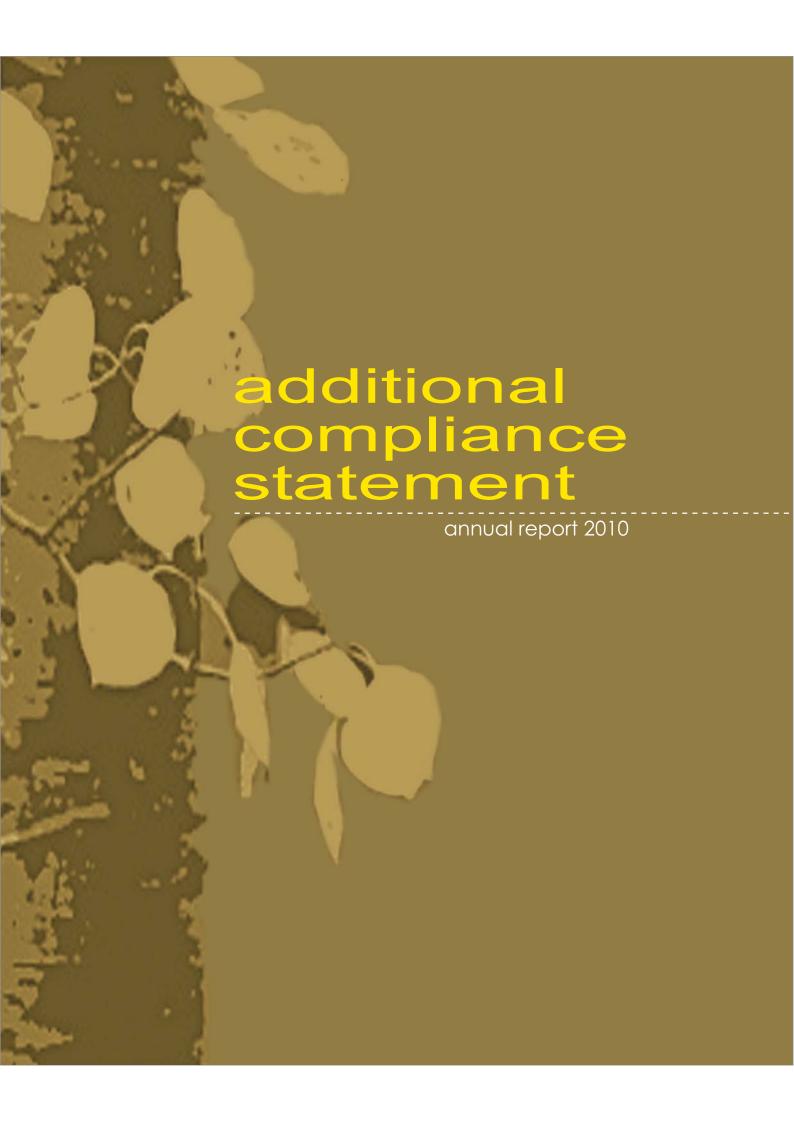
The key processes that have been established by the Board in reviewing the adequacy and integrity of the system of internal controls, which provide reasonable assurance against material misstatement or loss, include the following:

- 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 2010 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 <u>comp</u>liance statement

#### 1. Directors (as at 30 September 2010)

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 2010)

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 2010)

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 2010 is as follows:

монтн	NO. OF SHARES PURCHASED	PURCHASED PRICE PER SHARE (RM)		AVERAGE PRICE (RM)	TOTAL CONSIDERATION PAID (RM)
		Highest	Lowest		
December 2009	2,000	0.490	0.480	0.485	1,011.30
	2,000				1,011.30

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 2010)

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 2010)

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.

# 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 2010.

#### 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 2010.

#### 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 92 to 95 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 2010 are as follows:

MONTH	NO. OF SHARES	% OF PAID-UP CAPITAL
MALAYSIAN		
Bumiputera	50,898,100	84.83
Non-Bumiputera	8,945,900	14.91
Total Malaysian	59,844,000	99.74
FOREIGN	156,000	0.26
TOTAL	60,000,000	100.00

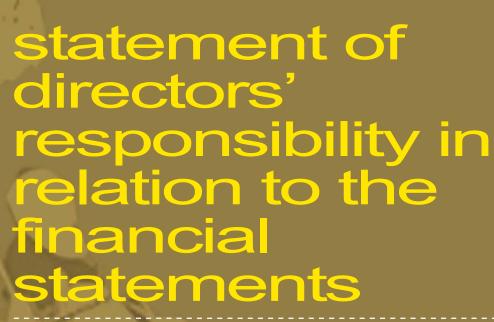
#### **B. Related Party Transaction**

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 2010, the amount owing from the net trade debtors is approximately RM 11.08 million (RM24.38 million FY 2009) of which the amount over the 365 days period is approximately RM2.90 million (RM3.51million FY 2009).





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# 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.





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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 2010.

#### 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
414,781	637,973

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 tax exempt per ordinary share of RM1 each in respect of the financial year ended 2009 was paid on 28 December 2009

RM 451,676

At the forthcoming Annual General Meeting, a first and final dividend, in respect of the financial year ended 30 June 2010, of 0.78 sen tax exempt per ordinary share of RM1 each amounting to RM468,000 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 2,000 of its own shares from the open market at an average price of RM0.485 per share. The total consideration paid for the shares purchased including transaction costs was RM1,012. These shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2010, the Company held as treasury shares a total of 2,094,800 of its 60,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,049,536 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 Shares of RM1 each				
	As at 1.7.2009	Bought	Sold	As at 30.6.2010		
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, Datuk Mohd Shu'aib Ishak and Fazlan Azri Tajudin by virtue of their interest in shares in the Company are 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 that they will not seek re-appointment. McMillan Woods Mea have given their consent to be nominated and subsequently appointed at the forthcoming Annual General Meeting.

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

Dato' Abdul Halim Abdullah

Dato' Bistamam Ramli

Kuala Lumpur 21 October 2010



## 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 55 to 87 are 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 state of affairs of the Group and of the Company as at 30 June 2010 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 21 October 2010

## 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 55 to 87, 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 PETALING JAYA on 21 October 2010 }



#### DATO' BISTAMAM RAMLI

Before me,

Raymond Cha Kar Siang No. B362

Commissioner for Oaths

## 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

### INDEPENDENT AUDITORS' REPORT 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 2010 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 55 to 87.

#### **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 2010 and its' 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 1346/8/11(J) Chartered Accountant Partner

Petaling Jaya 21 October 2010



# consolidated balance sheet As at 30 June 2010

	Note	2010 RM	2009 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	14,836,183	9,738,614
Prepaid land lease payments	5	8,143,589	8,238,726
Investment property	6	8,645,144	8,645,144
Other investment		2	71,145
		31,624,918	26,693,629
Current assets			
Inventories	8	-	16,534
Amount due from customers on contracts	9	8,977,284	7,790,560
Trade receivables	10	11,080,047	24,381,280
Other receivables, deposits and prepayments	11	1,592,898	2,132,267
Tax recoverable		485,907	374,768
Deposits with licensed banks	12	11,095,083	12,564,625
Cash and bank balances		3,416,732	3,156,171
		36,647,951	50,416,205
TOTAL ASSETS		68,272,869	77,109,834
EQUITY AND LIABILITIES Equity attributable to equity holders of the Company	13	60,000,000	60,000,000
Share capital	14	60,000,000	60,000,000
Share premium	15	8,022,580	8,022,580 (1,048,524)
Treasury shares	16	(1,049,536) 1,224,926	1,224,926
Revaluation reserve Translation reserve	10	(77,357)	(26,392)
Accumulated loss		(19,815,890)	(19,778,995)
Accumulated loss		48,304,723	48,393,595
Minority interest		-	-
Total Equity		48,304,723	48,393,595
			<u> </u>
Non-current liabilities			
Borrowings	18	1,171,721	1,967,302
Current liabilities			
Amounts due to customers on contracts	9	210,668	2,544,929
Trade payables	20	10,260,933	17,758,956
Other payables and accruals	21	5,860,037	3,161,991
Borrowings	18	2,464,787	3,283,061
		18,796,425	26,748,937
Total liabilities		19,968,146	28,716,239
TOTAL EQUITY AND LIABILITIES		68,272,869	77,109,834

# balance sheet As at 30 June 2010

	Note	2010 RM	2009 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	7,490,450	1,221,140
Investment in subsidiaries	7	29,030,734	29,000,740
Amount due from subsidiaries	17	20,650,756	23,522,574
		57,171,940	53,744,454
Current assets			
Other receivables, deposits and prepayments	11	155,567	124,955
Tax recoverable		485,907	374,768
Cash and bank balances		1,940,758	2,104,906
		2,582,232	2,604,629
TOTAL ASSETS		59,754,172	56,349,083
EQUITY AND LIABILITIES Equity attributable to equity holders of the Company Share capital Share premium Treasury shares Accumulated loss	13 14 15	60,000,000 8,022,580 (1,049,536) (28,079,840)	60,000,000 8,022,580 (1,048,524) (28,266,137)
Total equity		38,893,204	38,707,919
Non-current liabilities  Amount due to a subsidiary	17	16,995,036	17,174,430
Current liabilities Other payables and accruals	21	3,865,932	466,734
Total liabilities		20,860,968	17,641,164
TOTAL EQUITY AND LIABILITIES		59,754,172	56,349,083

# consolidated statement of changes in equity For the year ended 30 June 2010

			NON -	DISTRIBUTA	BLE					
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Revaluation Reserve RM	Translation Reserve RM	Accumulated Loss RM	Attributable to Equity Holders of the Company RM	Minority Interest RM	Total Equity RM
At 1.7.2009		60,000,000	8,022,580	(1,048,524)	1,224,926	(26,392)	(19,778,995)	48,393,595	-	48,393,595
Purchase of treasury shares	15	-	-	(1,012)	-	-	-	(1.012)	-	(1,012)
Net profit for the year		-	-	-	-	-	414,781	414,781	-	414,781
Translation adjustment for the financial year		-	-	-	-	(50,965)	-	(50,965)	-	(50,965)
Dividend paid		-	-	-	-	-	(451,676)	(451,676)	-	(451,676)
At 30.6.2010		60,000,000	8,022,580	(1,049,536)	1,224,926	(77,357)	(19,815,890)	48,304,723	-	48,304,723
At 1.7.2008		60,000,000	8,022,580	(1,045,810)	1,224,926	-	(19,696,315)	48,505,381	-	48,505,381
Purchase of treasury shares	15	-	-	(2,714)	-	-	-	(2,714)	-	(2,714)
Net profit for the year		-	-	-	-	-	256,123	256,123	-	256,123
Translation adjustment for the financial year		-	-	-	-	(26,392)	-	(26,392)	-	(26,392)
Dividend paid		-	-	-	-	-	(338,803)	(338,803)	-	(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		48,393,595

# statement of changes in equity

For the year ended 30 June 2010

		NC	NON-DISTRIBUTABLE	JTABLE		
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Accumulated Loss RM	Total Equity RM
At 1.7.2009		60,000,000	8,022,580	(1,048,524)	(28,266,137)	38,707,919
Purchase of treasury shares	15	1	1	(1,012)	ı	(1,012)
Net profit for the year		1	1	ı	637,973	637,973
Dividend paid		ı	1	ı	(451,676)	(451,676)
At 30.6.2010		60,000,000	8,022,580	(1,049,536)	28,079,840	38,893,204
At 1.7.2008		60,000,000	8,002,580	8,002,580 (1,045,810)	(28,604,496)	38,372,274
Purchase of treasury shares	15	1		(2,714)		(2,714)
Net profit for the year		1		ı	677,162	677,162
Dividend paid			1	ı	(338,803)	(338,803)
At 30.6.2009		60,000,000	8,022,580	(1,048,524)	(28,266,137)	38,707,919

# consolidated income statement For the year ended 30 June 2010

	Note	2010 RM	2009 RM
Revenue Contract revenue Services rendered	9	56,483,392 609,376	75,895,892 936,369
		57,092,768	76,832,261
Cost of sales	9	(41,002,654)	(60,555,368)
Gross profit		16,090,114	16,276,893
Other operating income		512,510	590,350
Administrative expenses Selling and marketing expenses Other operating expenses		(10,123,049) (278,305) (5,892,505)	(9,787,211) (1,340,850) (5,287,446)
Profit from operations		308,765	451,736
Finance costs		(255,301)	(348,559)
Profit before tax	22	53,464	103,177
Income tax	25	361,317	152,946
Net profit after taxation attributable to the group		414,781	256,123
Attributable to :     Equity holders of the Company     Minority interests		414,781 -	256,123 -
-		414,781	256,123
Earnings per share (sen)	27	0.69	0.43



## income statement

For the year ended 30 June 2010

	Note	2010 RM	2009 RM
Revenue		2,898,000	3,098,000
Other operating income		864,861	879,352
Administrative expenses		(2,359,266)	(2,503,081)
Selling and marketing expenses		(3,000)	(130,920)
Other operating expenses		(761,439)	(406,635)
Profit from operations		639,156	936,716
Finance costs		-	-
Profit before tax	22	639,156	936,716
Income tax	25	(1,183)	(259,554)
Net profit for the year		637,973	677,162

# consolidated cash flow statement For the year ended 30 June 2010

	2010 RM	2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	53,464	103,177
Adjustment for non-cash items:	,	,
Depreciation	1,794,124	1,528,659
Interest expense	255,301	348,559
Interest income	(265,125)	(320,624)
Amortisation of prepaid land lease	95,137	95,137
Gain on disposal of plant and equipment	(516)	(64,017)
Impairment loss on other investment	42,233	-
Bad debt written off	97,958	-
Operating profit before working capital changes	2,072,576	1,690,891
Decrease in inventories	16,534	-
Decrease/(increase) in receivables	13,742,644	(8,518,802)
Decrease/(increase) in amounts due from customers on contracts	(1,186,724)	948,232
Increase/(decrease) in amounts due to customers on contracts	(2,334,261)	1,491,521
(Decrease)/increase in payables	(4,799,977)	6,228,775
Cash generated from operating activities	7,510,792	1,840,617
Income tax refund	250,178	633,845
Interest paid	(255,301)	(348,559)
Interest received	265,125	320,624
	7,770,794	2,446,527
CASH FLOWS FROM INVESTING ACTIVITIES	(0.00=00.1)	(4.050.000)
Additions to property, plant and equipment	(6,907,334)	(1,952,628)
Proceeds from disposal of plant and equipment	2,779	76,578
CASH FLOWS FROM FINANCING ACTIVITIES	(6,904,555)	(1,876,050)
Proceeds from disposal of investment in associate	28,910	
Dividend paid	(451,676)	(338,803)
Repayment of hire purchase payables	(512,414)	(410,480)
Repayment of term loan	(797,868)	(733,431)
Repurchase of treasury shares	(1,012)	(2,714)
Decrease in trust receipts	(1,181,200)	(925,921)
Increase in bankers' acceptances	54,000	820,000
Decrease/(Increase) in deposits pledged as security with licensed bank	1,189,983	(1,443,315)
	(1,671,277)	(3,034,664)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(805,038)	(2,464,187)
Effects of foreign exchange rate changes	(37,587)	(25,459)
Balance at beginning of year	6,007,394	8,497,040
Balance at end of year	5,164,769	6,007,394
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and bank balances	3,416,732	3,156,171
Deposits with licensed banks	11,095,083	12,564,625
Bank overdraft	(823,627)	-
	13,688,188	15,720,796
Less: Deposits pledged as security with licensed banks	(8,523,419)	(9,713,402)
	5,164,769	6,007,394

## cash flow statement

For the year ended 30 June 2010

CACILEI	OME FOOM	OPFRATING	A OTIVITIES

Profit before tax

Adjustment for non-cash items:

Depreciation

Dividend income from subsidiary

Interest income

Gain on disposal of plant and equipment

Operating loss before working capital changes

Increase in receivables

Increase in payables

Cash generated from / (used in) operating activities

Income tax refund

Interest received

#### **CASH FLOWS FROM INVESTING ACTIVITIES**

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

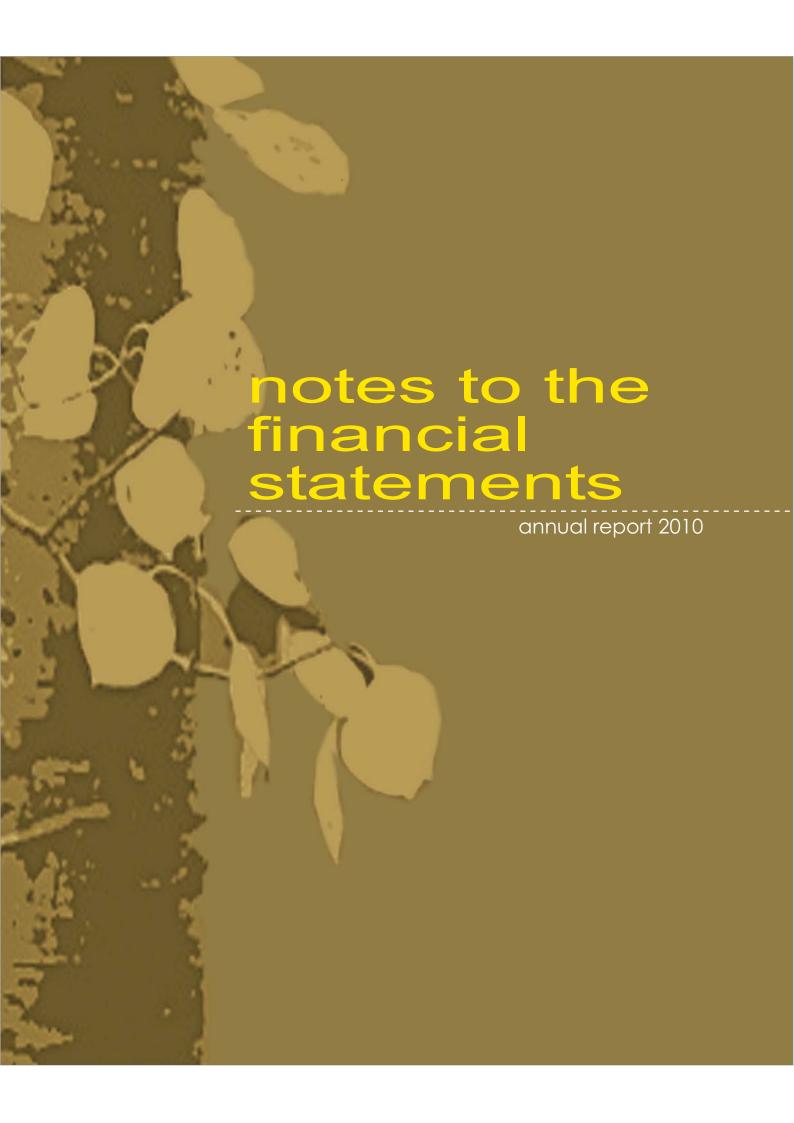
#### NET (DECREASE) / INCREASE IN CASH

Balance at beginning of year Balance at end of year

#### Cash and Cash Equivalents Consist of:

Cash and bank balances

2010 RM	2009 RM
639,156	936,716
304,913	226,240
(2,250,000)	(2,450,000)
(864,861)	(876,335)
-	(1,742)
(2,170,792)	(2,165,121)
(30,612)	(13,756)
3,399,198	164,758
1,197,794	(2,014,119)
250,178	633,844
864,861	876,335
2,312,833	(503,940)
	5,598
(6,574,223)	(891,751)
1,887,500	2,037,500
2,692,424	280,640
(29,994)	(6)
(2,024,293)	1,431,981
(451,676)	(338,803)
(1,012)	(2,714)
(452,688)	(341,517)
44.5.4.4.5.5	
(164,148)	586,524
2,104,906	1,518,382
1,940,758	2,104,906
1,940,758	2,104,906



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 2010.

#### 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 Financial Reporting Standards (FRS) adopted during the financial year
- FRS 8 Operating segments

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



#### 2. BASIS OF PREPARATION (Contd.)

2.2 FRS and Interpretations of FRS not yet effective

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

Reference	Description	Effective date
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards	1 Jan 2010 and 1 Jan 2011
FRS 2	Amendments to FRS 2 Share-based Payments	1 Jan 2010 and 1July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 4	Insurance Contracts	1 Jan 2010
FRS 5	Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 7	Financial Instruments: Disclosure	1 Jan 2010
	Amendments to FRS 7 Financial Instruments: Disclosures	1 Jan 2011
FRS 101	Presentation of Financial Statements (revised)	
	Amendments to FRS 101 Presentation of Financial Statements	1 Jan 2010
	- Puttable Financial Instruments and Obligations Arising on Liquidation	
FRS 123	Borrowing Costs (revised)	1 Jan 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
	Amendments to FRS 127 Consolidated and Separate Financial Statements	1 Jan 2010
	- Cost of an Investment in Jointly Controlled Entity or Associate	
FRS 132	Amendments to FRS 132 Financial Instruments: Presentation	
	- Puttable Financial Instruments and Obligations Arising on Liquidation	1 Jan 2010
	- Separation of Compound Instruments	1 Jan 2010
	- Classification of Rights Issues	1 Mar 2010
FRS 138	Amendments to FRS 138 Intangible Assets	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 Jan 2010
	Addendum to FRS 139	
IC Int 4	Determining whether an Arrangement contains a Lease	1 Jan 2011
IC Int 9	Reassessment of Embedded Derivatives	1 Jan 2010
	Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Int 10	Interim Financial Reporting and Impairment	1 Jan 2010
IC Int 11	FRS 2 - Group and Treasury Share Transactions	1 Jan 2010
IC Int 12	Service Concession Agreements	1 July 2010
IC Int 13	Customer Loyalty Programmes	1 Jan 2010
IC Int 14	FRS 119 - The limit on Defined Benefit Asset, Minimum Funding and their Interaction	1 Jan 2010
IC Int 15	Agreements for the Construction of Real Estate	1 July 2010
IC Int 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Int 17	Distribution of Non-cash Assets to Owners	1 July 2010
IC Int 18	Transfers of Assets from Customers	1 Jan 2011
	Improvements to FRSs (2009)	1 Jan 2010

#### 2. BASIS OF PREPARATION (Contd.)

2.2 FRS and Interpretations of FRS not yet effective (Contd)

The Group and the Company plan to apply the abovementioned FRS / Interpretations when such applicable standards become effective

The above FRSs, Amendments to FRS and IC Interpretations, except for FRS 7 and FRS 139 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.

#### (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%

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

#### (b) Property, Plant and Equipment and Depreciation (contd)

It is the Company's 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.

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.

#### (g) 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.

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

#### (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.

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.

#### (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.

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

#### (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.

#### (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.

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

### (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:

	2010	2009
	RM	RM
Brunei Dollar	2.320	2.403

### (t) Operating Segments

In the previous years, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8 Operating Segments, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.



### 4. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Furniture & fittings RM	Office equipment RM	Renovations RM	Motor vehicles RM	Equipment tools RM	Gymnasium equipment RM	Total RM
Cost / Valuation								
At 1.7.2009	4,177,000	762,392	6,015,535	3,037,826	5,491,395	986,348	3,420	20,473,916
Additions	-	118,356	2,631,128	4,157,850	-	-	-	6,907,334
Disposals	-	-	(28,157)	-	-	-	-	(28,157)
Exchange differences	-	(2,708)	(3,715)	(13,885)	(2,810)	-	-	(23,118)
At 30.6.2010	4,177,000	878,040	8,614,791	7,181,791	5,488,585	986,348	3,420	27,329,975
Accumulated Depreciation								
At 1.7.2009	167,080	561,469	4,451,690	1,716,127	2,853,664	981,853	3,419	10,735,302
Charge for the year	83,540	72,388	784,686	192,212	658,330	2,968	-	1,794,124
Disposals	-	-	(25,894)	-	-	-	-	(25,894)
Exchange differences	-	(1,149)	(2,336)	(5,677)	(578)	-	-	(9,740)
At 30.6.2010	250,620	632,708	5,208,146	1,902,662	3,511,416	984,821	3,419	12,493,792
Net Book Value								
At 30.6.2010	3,926,380	245,332	3,406,645	5,279,129	1,977,169	1,527	1	14,836,183
At 30.6.2009	4,009,920	200,923	1,563,845	1,321,699	2,637,731	4,495	1	9,738,614
Depreciation charge								
for 2009	83,540	49,505	630,952	214,428	543,598	6,636	-	1,528,659

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

	Gymnasium equipment	Motor vehicles	Renovations	Office equipment	Net Book Value		Gymnasium equipment	Motor vehicles	Renovations	Office equipment	Accumulated Depreciation		Gymnasium equipment	Motor vehicles	Renovations	Office equipment	Cost	Company
1,221,140		_	784,441	436,697		1,317,887	3,419	158,709	353,431	802,328		2,539,027	3,420	158,710	1,137,872	1,239,025		At 1.7.2009 RM
6,269,310	1	ı	4,054,186	2,215,124		304,913	1	ı	51,414	253,499		6,574,223	ı	ı	4,105,600	2,468,623		Additions RM
		ı	,					,	,	٠		,		,	,	ı		Disposals RM
7,490,450		_	4,838,627	2,651,821		1,622,800	3,419	158,709	404,845	1,055,827		9,113,250	3,420	158,710	5,243,472	3,707,648		At 30.6.2010 RM

Depreciation charge for year 2009  Office equipment	Company RM 177,883
Office equipment	177,8
Renovations	48,357
Motor vehicles	
Gymnasium equipment	ı
	226,240

### 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
	2010 RM	2009 RM
Buildings	2,537,806	2,598,838

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

	G	roup
	2010 RM	2009 RM
Motor vehicles	1,922,163	2,563,369

### 5. PREPAID LAND LEASE PAYMENTS

	2010 RM	2009 RM
At Valuation Beginning of the year /		
End of the year	8,429,000	8,429,000
Accumulated Amortisation		
Beginning of the year	(190,274)	(95,137)
Charge for the year	(95,137)	(95,137)
End of the year	(285,411)	(190,274)
Net Carrying Amount	8,143,589	8,238,726

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

Grou	лb
2010 RM	2009 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 2009).

### 7. INVESTMENT IN SUBSIDIARIES

Unquoted shares, at cost LESS: Accumulated Impairment losses

Com	pany
2010 RM	2009 RM
56,194,208	56,164,214
(27,163,474)	(27,163,474)
29,030,734	29,000,740

The details of the subsidiary companies are as follows:

Name of subsidiary	Equity Interest		Country of Incorporation	Principal Activities		
	2010	2009				
Elitemac Resources Sdn Bhd	100%	100%	Malaysia	Ceased operations.		
Edaran IT Services 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%	100%	Malaysia	Event Management and special interest project.		
Edaran Lifestyle Maintenance Services Sdn Bhd	100%	100%	Malaysia	Dormant.		
Edaran Lifestyle Trading Services Sdn Bhd	100%	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	Interest	Country of Incorporation	Principal Activities
	2010	2009		
Subsidiary of Elitemac Reso	urces Sd	n Bhd		
Edaran Communications Sdn Bhd	100%	100%	Malaysia	Ceased operations.
Subsidiary of Edaran IT Serv	ices Sdn	Bhd		
Shinba-Edaran Sdn Bhd **	75%	75%	Brunei	Information technology provider

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

### 8. INVENTORIES

	Gı	roup
	2010 RM	2009 RM
Tools and Consumables	-	16,534

### 9. CONTRACT WORK-IN-PROGRESS

	Gi	oup	Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cost	71,965,743	74,895,506	-	
Profit recognised	23,313,544	13,292,497	-	-
Progress billings	(86,512,671)	(82,942,372)	-	
Work-in-progress	8,766,616	5,245,631	-	
ANALYSIS OF WORK-IN-PROGRESS				
Amount due from customers	8,977,284	7,790,560	-	-
Amount due to customers	(210,668)	(2,544,929)	-	
	8,766,616	5,245,631	-	
Contract revenue recognised	56,483,392	75,895,892	_	
Contract cost recognised	40,771,073	59,609,644	_	

### 10. TRADE RECEIVABLES

Trade receivables

LESS: Provision for doubtful debts

Group		
2010 RM	2009 RM	
44,290,238	57,635,145	
(33,210,191)	(33,253,865)	
11,080,047	24,381,280	

Company		
2010 RM	2009 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 4 (5 in 2009) customers representing 26% (14% in 2009) of total net trade receivables. Included in the total net trade receivables of the Group are debts amounting to RM2,897,424 (RM3,510,122 in 2009) 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>2010</b> 2009 RM RM			
164,620	387,172		
268,906	268,906		
3,970,849	4,583,663		
785,440	489,443		
5,189,815	5,729,184		
(3,596,917)	(3,596,917)		
<b>1,592,898</b> 2,132,267			

Company		
2010 RM	2009 RM	
45,018	41,671	
	-	
96,839	73,284	
13,710	10,000	
155,567	124,955	
-	-	
155,567	124,955	

### 12. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks of the Group amounting to RM8,523,419 (RM9,713,402 in 2009) 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 2010 range from 2.05% to 3.70% (1.60% to 4.70% in 2009) per annum and between 30 to 365 days.

### 13. SHARE CAPITAL

Ordinary shares of RM1 each Authorised

Issued and fully paid

# 2010 RM 2009 RM 100,000,000 100,000,000 60,000,000 60,000,000

### 14. SHARE PREMIUM

As at 1 July / As at 30 June

2009 RM
8,022,580

### 15. TREASURY SHARES

At 1 July Purchased Sold At 30 June

Group		
<b>2010</b> 2009 RM RM		
1,048,524	1,045,810	
1,012	2,714	
-	-	
1,049,536	1,048,524	

Company		
2010 RM	2009 RM	
1,048,524	1,045,810	
1,012	2,714	
-	-	
1,049,536	1,048,524	

The shareholders of the Company, by ordinary resolution passed in a general meeting held on 3 December 2009, 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 2,000 of its own shares from the open market at RM0.485 per share. The total consideration paid for the shares purchased was RM1,012 comprising of consideration paid of RM970 and transaction costs of RM42. 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.

Of the total 60,000,000 (60,000,000 in 2009) issued and fully paid ordinary shares as at 30 June 2010, 2,094,800 (2,092,800 in 2009) are held as treasury shares by the Company.

### **16. REVALUATION RESERVE**

Group	Prepaid land lease payments RM	Buildings RM	Total RM
At 1 July 2009 / At 30 June 2010	797,286	427,640	1,224,926
At 1 July 2008 / At 30 June 2009	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 2009) 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		Con	npany
	2010 RM	2009 RM	2010 RM	2009 RM
Short Term Borrowings				
Bank overdrafts	823,627	-	-	-
Banker acceptances	874,000	820,000	-	-
Term loans	226,875	769,447	-	-
Trust receipts	-	1,181,200	-	-
Hire purchase payable (Note 19)	540,285	512,414		
	2,464,787	3,283,061		
			-	-
Long Term Borrowings			-	-
Term loans	-	255,296	-	-
Hire purchase payable (Note 19)	1,171,721	1,712,006		
	1,171,721	1,967,302		
			-	-
Total Borrowings			-	-
Bank overdrafts	823,627	-	-	-
Banker acceptances	874,000	820,000	-	-
Term loans	226,875	1,024,743		
Trust receipts	-	1,181,200		
Hire purchase payable (Note 19)	1,712,006	2,224,420		
	3,636,508	5,250,363		
			-	-
Maturity of Borrowings (excluding hire purchase)			-	-
Within one year	1,924,502	2,770,647		
More than 1 year and less than 2 years	-	255,296		
	1,924,502	3,025,943		

### 18. BORROWINGS (Contd.)

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

were as follows:

Bank overdrafts
Banker acceptances
Trust receipts
Term loans

Group		
2010 %	2009 %	
8.50	-	
3.75	3.10	
-	6.55	
7.00	7.00	

Company		
2010 %	2009 %	
-	-	
	-	

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	2010 RM	2009 RM	2010 RM	2009 RM
Not later than one year	611,988	611,988	_	_
More than 1 year and less than 2 years	611,988	611,988	_	_
More than 2 years and less than 5 years	621,790	1,233,778	_	_
more than 2 years and less than 5 years	1,845,766	2,457,754		_
Less: Future finance charges	(133,760)	(233,334)		-
Present value of finance lease liabilities	1,712,006	2,224,420	-	-
Present Value of Finance Lease Liability				
Not later than one year	540,285	512,414	-	-
More than 1 year and less than 2 years	561,576	540,285	-	-
More than 2 years and less than 5 years	610,145	1,171,721	-	-
	1,712,006	2,224,420	-	-
Analysed As				
Due within 12 months (Note 18)	540,285	512,414	-	-
Due after 12 months (Note 18)	1,171,721	1,712,006	-	-
	1,712,006	2,224,420	-	-

The hire purchase payables bear interest at between 4.24% to 5.61% (4.24% to 5.61% in 2009) 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		
2010 RM	2009 RM	
3,685,691	498,498	
2,174,346	2,663,493	
5,860,037	<b>860,037</b> 3,161,991	

Company		
2009 RM		
<b>36</b> 11,396		
455,338		
466,734		

### 22. PROFIT BEFORE TAX

	Group		Company	
After charging / (crediting):	2010 RM	2009 RM	2010 RM	2009 RM
Antor ondiging / (orothing).				
Audit fee	46,820	46,834	12,000	12,000
Amortisation of prepaid land lease payments	95,137	95,137	-	-
Employee benefits expense (Note 23)	8,240,576	7,997,003	1,288,060	1,316,872
Depreciation	1,794,124	1,528,659	304,913	226,240
Directors' remuneration (Note 24)	1,092,250	1,080,479	410,000	415,000
Impairment loss on other investment	42,233	-	-	-
Bad debt written off	97,958	-	-	-
Rental of premises	321,082	322,459	-	-
Finance costs:				
Bank overdraft interest	27,144	16,104	•	-
Hire purchase interest Term loan interest	99,574	101,715	•	-
Trust receipts interest	47,292	111,729	-	-
Trust receipts interest	81,291	119,011	-	-
Gain on foreign exchange				
Trade and realised		(32,398)		_
Trado ana rodilood		(02,000)		
Management fee income from:				
Subsidiaries	-	-	(648,000)	(648,000)
			(* 2,223)	( , ,
Rental income	(130,800)	(167,600)	-	-
Dividend income	-	-	(2,250,000)	(2,450,000)
Interest income from:				
Deposits with licensed bank	(265,125)	(320,624)	-	-
Subsidiaries	-	-	(864,861)	(876,335)
Bad debt recovered	(43,674)	(640)	-	-
Gain on disposal of plant and equipment	(516)	(67,741)		(1,742)

### 23. EMPLOYEE BENEFITS EXPENSE

Salaries and bonus EPF contributions SOCSO contributions Other benefits

Group		
2010 RM	2009 RM	
6,494,962	6,095,945	
705,852	<b>5,852</b> 619,929	
<b>53,019</b> 48,733		
986,743	1,232,396	
8,240,576	7,997,003	
53,019 986,743	48,733 1,232,396	

Company		
2010 RM	2009 RM	
910,930	938,580	
106,921	103,694	
9,454	9,027	
269,755	265,571	
1,288,060	1,316,872	

Included in staff costs of the Group and of the Company are executive directors' remuneration as further disclosed in Note 24.

### 24. DIRECTORS' REMUNERATION

### Directors of the Company Executive Directors

- salaries and others emoluments
- benefits-in-kind

### **Non-Executive Directors**

- fees

Group		
2009 RM		
881,000 29,479		
910,479		
170,000		
170,000		
1,080,479		

Company		
<b>2010</b> 2009 RM RM		
240,000	245,000	
240,000	245,000	
170,000	170,000	
170,000	170,000	
410,000	415,000	

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

	Number of Directors				
	2010		20	2009	
	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	-	-		-	
RM 100,001 - RM 150,000	-	-	-	-	
RM 150,001 - RM 200,000	-	-	-	-	
RM 200,001 - RM 250,000	1	-	1	-	
RM 250,001 - RM 300,000	1	-	1	-	
RM 300,001 - RM 350,000	-	-	-	-	
RM 350,001 - RM 400,000	1	-	1	-	

### 25. INCOME TAX

Income Tax Current

Tax recoverable arising from dividend income received Under/(Over) provision in prior year

Group		
2010 RM	2009 RM	
	-	
(362,500)	(123,407)	
1,183	(29,539)	
(361,317)	(152,946)	

Company		
2009 RM	2009 RM	
	289,093	
-	-	
1,183	(29,539)	
1,183	259,554	

As at 30 June 2010, the Group has unutilised business losses of RM20,429,056 (RM18,300,523 in 2009) and unabsorbed capital allowance of RM1,101,675 (RM1,023,565 in 2009) respectively to set off against future taxable profits. As at 30 June 2010, the Company has no unutilised business loss and unabsorbed capital allowance to set off against future taxable profits (Nil in 2009).

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
Tax exempt income
Tax incentives from share of Group relief
Tax incentives\*
Effects of tax credit arising from dividend received
Under/(Over) provision 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	oup	Company	
2010 RM	2009 RM	2010 RM	2009 RM
53,464	103,177	639,156	936,717
544,959 414,063 - (1,384,584) (362,500) 1,183 (7,610) 433,172	505,603 480,731 - (1,232,568) (123,407) (29,539) - 246,234	159,789 77,150 (200,000) (36,939) - - 1,183	234,179 54,914 - - - (29,539) -
(361,317)	(152,946)	1,183	259,554

<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							
2010 RM	2009 RM						
629,025	561,219						
-	-						
629,025	561,219						

Company							
2010 RM	2009 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							
2010	2009						
RM	RM						
(499,295)	(499,295)						
(129,730)	(61,924)						
(629,025)	(561,219)						

Company							
2010 RM	2009 RM						
-	-						
-	-						

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

Depreciation claimed in excess of capital allowances Unused tax losses

Unabsorbed capital allowances

Group								
2010 RM	2009 RM							
2,062	-							
3,674,712	3,573,476							
222,168	204,441							
3,896,880	3,777,917							

Company						
2010 RM	2009 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. EARNING PER SHARE

The earning per share is calculated based on the profit attributable to equity holders of the Company of RM414,781 (RM256,123 in 2009) on the 60,000,000 (60,000,000 in 2009) 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

Gr	oup
2010 RM	2009 RM
-	_

Company							
2010 RM	2009 RM						
20,047,118 20,047,118	20,214,479 20,214,479						

### 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							
09 M							
_							
-							

Company						
2010 RM	2009 RM					
648,000	648,000					
864,861	876,335					
2,250,000	2,450,000					

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 2010. 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

The Group has four reportable 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.

### (iii) Investment holdings

Investment holding and provide management services.

### (iv) Lifestyle

Involve in lifestyle activities, trading services and special interest project.

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. The accounting policies of the reportable segments are the same as described in note 3(t).

31. Operating Segments (Contd.)

segment assets are: Additions to non-current assets other than financial instruments and deferred tax assets	Segment assets	Finance costs Income tax expense	Not included in the measure of segment profit/(loss) but provided to Chief Executive Officer	purchases	Reversal of overprovision of	Impairment of other investment	plant & equipment	Depreciation & amortisation Gain/(loss) on disposal of	Finance income	Inter-segment sales	segment profit/(loss) are: External sales	Segment profit / (loss)		
6,574,223	59,754,172	(1,183)			ı	ı	1	(304,913)	864,861	2,898,000	ı	639,156	2010 RM	Investment Holdings
891,751	56,349,083	(259,554)			1	ı	1,742	(226,240)	876,335	3,098,000	ı	936,716	2009 RM	t Holdings
296,719	49,369,893	(886,569)			1	ı	516	(1,201,764)	231,647	1	57,092,768	4,181,552	2010 RM	Information Technology and Services
1,689,757	62,838,191	(886,569) (1,005,770)			ı	ı	(3,724)	(1,021,410)	280,270	ı	76,832,261	3,863,069	2009 RM	Technology ervices
1	37,745,619	(199,409)			72,395	(42,233)	1	(371,945)	33,478	1	ı	(513,061)	2010 RM	Telecommunications
647,000	38,058,939	(186,384)			1	ı	65,999	(375,322)	40,354	ı	ı	(891,912)	2009 RM	unications
36,392	339,998	1 1			ı	1	1	(10,639)	ı	1	1	(881,466)	2010 RM	Lifestyle
7,414	14,911	1 1			ı	ı	ı	(824)	ı	ı	ı	(127,255)	2009 RM	tyle
6,907,334	<b>147,209,682</b> 157,261,124	(1,085,978) (1,183)			72,395	(42,233)	516	(1,889,261)	1,129,986	2,898,000	57,092,768	3,426,181	2010 RM	Total
3,235,922	157,261,124	(1,085,978) (1,192,154) (1,183) (259,554)			ı	ı	64,017	(1,623,796)	1,196,959	3,098,000	76,832,261	3,780,618	2009 RM	tal

### 31. Operating Segments(Contd.)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items.

2010

2009

Profit or loss					RM	RM
Total profit for reportable segments Other non-reportable segments Elimination of inter-segment profits Finance costs					3,426,181 (2,545) (3,114,861) (255,301)	3,780,618 (2,545) (3,326,337) (348,559)
Consolidated profit before tax					53,474	103,177
2010	External revenue RM	Depreciation and amortisation RM	Finance costs RM	Finance income RM	Segment assets RM	Additions to non-current assets RM
Total reportable segments Other non-reportable segments Elimination of inter-segment transactions or balances	57,092,768 - -	(1,889,261)	(1,085,978) (34,184) 864,861	1,129,986 - (864,861)	147,209,682 3,933 (78,940,746)	6,907,334
Consolidated total	57,092,768	(1,889,261)	(255,301)	265,125	68,272,869	6,907,334
2009	External revenue	Depreciation and amortisation RM	Finance costs RM	Finance income	Segment assets RM	Additions to non-current assets RM
Total reportable segments Other non-reportable segments Elimination of inter-segment transactions or balances	76,832,261 - -	(1,623,796)	(1,192,154) (32,740) 876,335	1,196,959 - (876,335)	157,261,124 3,955 (80,155,245)	3,235,922
Consolidated total	76,832,261	(1,623,796)	(348,559)	320,624	77,109,834	3,235,922

### **Geographical Segments**

In determining information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amount of non-current assets do not include financial instruments (including investment in associates) and deferred tax assets.

	Revenue		Non-current assets	
	2010	2009	2010	2009
	RM	RM	RM	RM
Malaysia	57,092,768	76,832,261	31,333,301	26,273,244
Brunei	-		291,617	420,385
	57,092,768	76,832,261	31,624,918	26,693,629

### **Major customers**

The Group's customers are the Government Ministries and Departments, Local Authorities or government linked companies under the control of Government of Malaysia and all revenue generated is reported under Information Technology and Services segment.



# 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

No. of Shareholders : 1,746

### **ANALYSIS OF SHAREHOLDINGS**

### A. Distribution of Shareholdings (as at 30 September 2010)

Size of Shareholdings	Shareholders	Shareholding	%
Less than 100	17	546	0.00
100-1,000	1,153	1,133,800	1.89
1,001 - 10,000	442	1,880,250	3.13
10,001 - 100,000	111	3,557,232	5.93
100,001 to less than 5% of issued shares	19	15,824,169	26.37
5% and above of issued shares	4	37,604,003	62.67
Total	1,746	60,000,000	100.00

### B. List of Thirty (30) Largest Shareholders (as at 30 September 2010)

N	ames	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
1	0. Mazlifah binti Abdullah	548,800	0.91
1	1. Power Protection (M) Sdn Bhd	546,000	0.91
1:	2. Kauthar General Services Sdn Bhd	501,600	0.84
1	3. OSK Nominees (Tempatan) Sdn Bhd	423,500	0.71
	Pledged Securities Account for Teh Teaw Kee		
1	4. Mohd Salleh bin Lamsah	300,028	0.50
1	5. Fazlan & Amal Sdn Bhd	289,600	0.48
1	6. Ahmad Yasri bin Mohd Hashim @ Mohd Hassan	242,385	0.40
1	7. Affin Nominees (Tempatan) Sdn Bhd	186,000	0.31
	Pledged Securities Account for Shiraz bin Shahidan (SHI0075C)		
1	8. Kenanga Nominees (Tempatan) Sdn Bhd	149,400	0.25
	Pledged Securities Account for Idris bin Abdullah @ Das Murthy		
1	9. Chiam Yoke Kee	130,000	0.22

# statistics on shareholdings

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

Names	No. of Shares	%
20. TA Nominees (Tempatan) Sdn Bhd	107,700	0.18
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 Kastam Malaysia Berhad	100,000	0.17
25. Ling Kam Sing	93,500	0.16
26. Normah binti Ali Affandi	92,932	0.15
27. HLB Nominees (Tempatan) Sdn Bhd	81,000	0.14
Pledged Securities for Chin Peng Jin		
28. Mohd Shafek bin Isa	80,000	0.13
29. Tan Gaik Suan	79,000	0.13
30. Teh Teaw Kee	76,400	0.13

### C. Substantial Shareholders (as at 30 September 2010)

(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	

(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 2,094,800 held by the Company.



## statistics on shareholdings

### D. Directors' Shareholding (as at 30 September 2010)

(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, Datin 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 2,094,800 held by the Company.

### E. Directors' Shareholding in Subsidiaries and Associate Companies (as at 30 September 2010)

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	-	-	-
5. Dato' Hj Abdul Hamid Mustapha Nil	-	•	-
6. Dato' Lim Kheng Yew Nil	-	-	-
7. Dato' Bistamam Ramli Nil			-
Datuk Mohd Shu'aib Ishak     Nil	•		-
9. Fazlan Azri Tajudin Nil			 



# group properties as at 30 June 2010

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	Vacant land	Freehold	i 28 Mar 2007 i i i i	 	1 1 18,704.60 1 1 1 1 1 1	1   8,645 
Mukim of Dengkil, District of Sepang, Selangor.					 	 
HS (D) 50310, Lot No. PT 1686 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 33 Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse  Own Occupation (Office space)  Rented Out (Restaurant)	Leasehold / 99 years expiring on 06.07.2085.	1 27 Mar 2007 1 1 27 Mar 2007 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 1 16 1 1 1 1 1 1	1 1,002.00 / 1 334.18 1 1 1 1 1 1 1 1 1 1	1 2,648 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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.	1 27 Mar 2007 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 1 16 1 1 1 1 1 1	1 852.02 / 1 284.18 1 284.18 1 1 1 1	1 2,365 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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 Own Occupation (Office space)	Leasehold / 99 years expiring on 07.07.2085.	27 Mar 2007   27 Mar 2007 	15  -  -  -  -  -  -  -	700.11 / 289.82	2,114



# group properties as at 30 June 2010

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. (No. 4 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	1 15 1 1 1 1 1 1 1 1 1 1	443.52 / 1	1,177
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	1 1 1 1 1 1 1 1	443.52 / 1	1,177
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	1 16 1 1 1 1 1 1 1 1 1 1 1 1	474.43 / 1	1,111



# group properties as at 30 June 2010

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  Own occupation (Office space)  Rented Out (Office space)	Leasehold / 99 years expiring on 06.07.2085.	27 Mar 2007	16	474.43 / 153.28	1,102
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	17	153.29 / -	375   375   1   1   1   1   1



### PROXY FORM

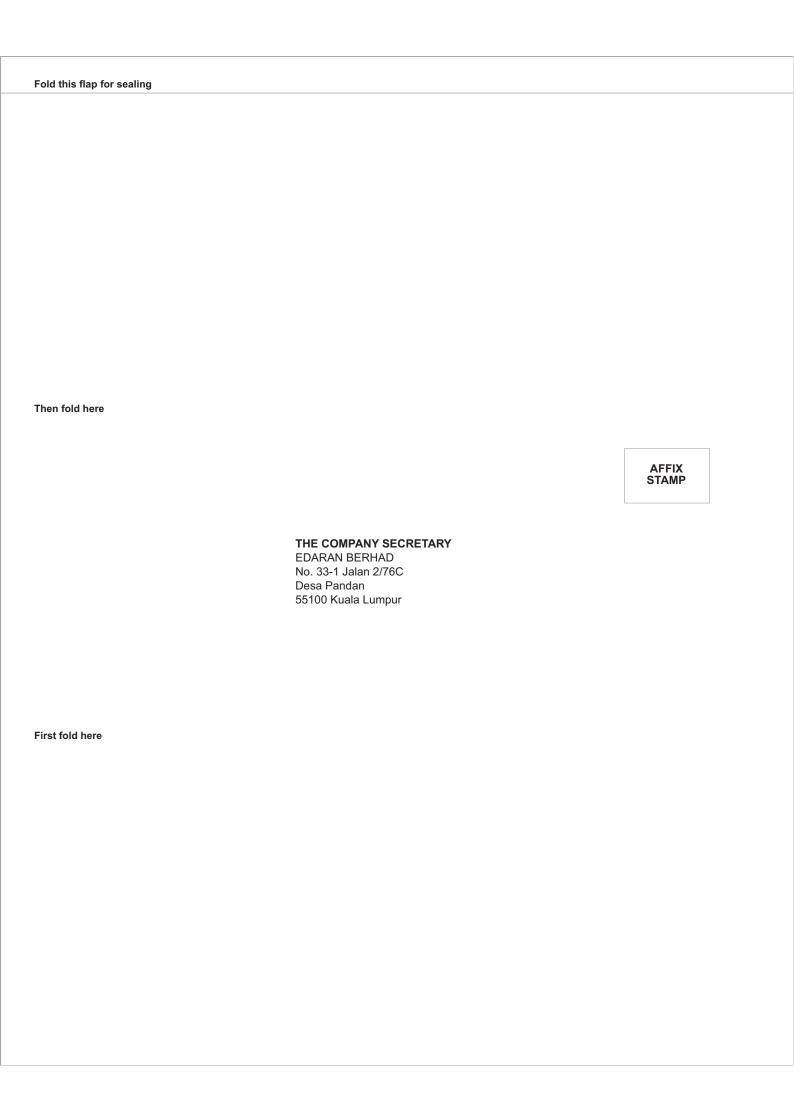
### Number of shares held : CDS Account No :

1/446	™	Cic/Company No.		
	be	ing a member / memb	ore of Eda	ran Borhad
	be	ing a member / memb	ers or Eda	ran bernau,
	NF	RIC No.		
	sence, NF	DIC No.		
	erice, Nr	RIC NO.		
as my/our proxy held on Thursday at 10.00 a.m. and	to vote for me/us on my/our behalf at the Eighteenth A y, 2 December 2010 at EDARAN Head Office, No. 2-6 J at any adjournment thereof.	Annual General Meeting Jalan 4/76C, Desa Pand	of Edaran l an, 55100 K	Berhad to be uala Lumpur
My / Our pro	xy is to vote as indicated below :			
	RESOLUTIONS		FOR	AGAINST
RESOLUTION 1	To receive and adopt the Audited Financial Statem and the Group for the financial year ended 30 Junthe Directors' and Auditors' Reports thereon.	ents of the Company e 2010 together with		
RESOLUTION 2	To declare a First and Final Tax Exempt Dividend or respect of the financial year ended 30 June 2010.	f 0.78% per share in		
RESOLUTION 3	To re-elect a Director retiring under Article 101 of the Association :  • Dato' Abdul Halim Abdullah	Company's Articles of		
RESOLUTION 4	To re-elect a Director retiring under Article 101 of the C Association : • Dato' Lim Kheng Yew	Company's Articles of		
RESOLUTION 5	To re-elect a Director retiring under Article 101 of the C Association:  • Datuk Mohd Shu'aib Ishak	Company's Articles of		
RESOLUTION 6	To approve the payment of the Directors' fee for the 30 June 2010	financial year ended		
RESOLUTION 7	To appoint Messrs. McMillan Woods Mea as Audito 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	te with an "X" in the spaces provided how yo xy will vote or abstain from voting at his/her	u wish to cast your discretion.)	votes. If	ou do not
Signed this	day of 2010			

### 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.





### **Business Office:**

No.32 Jalan 1/76C Desa Pandan 55100 Kuala Lumpu Malaysia

Tel: (6) 03-9206 7200 Fax: (6) 03-9284 3531

### Registered Office:

No.33-1 Jalan 2/76C Desa Pandan 55100 Kuala Lumpur

Tel: (6) 03-9206 7381

www.edaran.com