2011 ANNUAL REPORT

edaran

The Shifting Paradigms of Technology

The technology explosion that we are witnessing today is a phenomenon that the world cannot run away from. What used to be an evolutionary process which optimises what works best and filters off what does not, is now an explosive development which points towards unconstrained exponential growth. What used to be more systematic and accumulative advancement is now, non-directional and unpredictable. The impact of a technology explosion may not be as manageable and its limits, unforeseeable.

The Shifting Paradigms of Technology

Around us, we are seeing an emergence of ingenious communication technology such as broadband internet, Facebook, Tweeter, YouTube, Web Blogs, Wikis, Pod Casts and more. Ready or not, these connectivity tools have invaded our sphere and are effectively changing the dynamics of society. Boundaries — geographical, political, cultural as well as economic borders, are blurring. Weaker civilisations are melting, new ones are rising, traditional customs are petering out, new ones shaping. In this virtually connected world, ideas and ideologies, good or bad, are proliferating. Friendships are being celebrated just as animosities are being created.

While some sectors welcome this prevalent explosion of technology, others stay apprehensive. While businesses are quick in seizing the opportunities it brings and individuals are experimenting its limits, governments are nervous about its potential. The multi dimensional influence of new technology is being felt. For all of human kind, new perspectives are surfacing. A new world order is being shaped.

Like the rest of the business world, EDARAN too must come to grips with this technology explosion. It is EDARAN's mission to seek out the fertile grounds propagated by the mushrooming of technology to expand its growth. It is an unstoppable explosion and our goal is to ride on it and seize the prospects that it brings.

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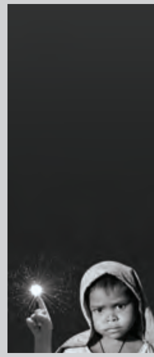

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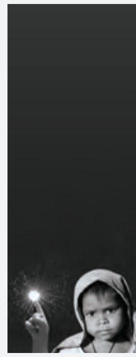
Notice of Annual General Meeting



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of EDARAN BERHAD will be held on Thursday, 1 December 2011 at Junior Ballroom, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur at 10.00 a.m. to transact the following businesses:

A. Ordinary Business

Resolution 1
1. To receive and adopt the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2011 together with the Directors' and Auditors' Reports thereon.

2. 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:

Resolution 2 i. Tan Sri Dato' Tajudin Ramli
Resolution 3 ii. Dato' Abdul Malek Ahmad Shazili
Resolution 4 iii. Dato' Hj Abdul Hamid Mustapha

Resolution 5
3. To approve the payment of the Directors' fee for the financial year ended 30 June 2011.

Resolution 6
4. To re-appoint Messrs. McMillan Woods Mea as Auditors of the Company and to authorise the Directors to fix their remuneration.

B. Special Business

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

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

C. Any Other Ordinary Business

6. 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
4 November 2011

Explanatory Note on Item 5 of the Agenda

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

Ordinary Resolution 7 (under item 5 above) is a renewal of the mandate obtained at the last Annual General Meeting which was not utilised during the financial year.

Ordinary Resolution 7, 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 Company 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 will, unless earlier revoked or varied by the Company in a general meeting, expire at the next annual general meeting.

NOTES:

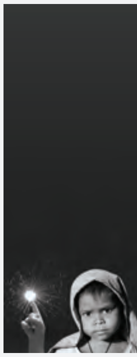
1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint any person or persons, whether a member or not, as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints two (2) or more proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.

2. A proxy need not be a member of the Company. A member may appoint any person to be his/her proxy without limitation.

3. A corporation or a corporation sole or a statutory corporation may appoint any person as its representative.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing and if such appointer is a corporation, corporation sole or a statutory corporation; either under its common seal or the hand of its officers or attorney duly authorised and shall be deposited together with the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof and shall be deposited at the Registered Office, 33-1 Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur not less than forty eight (48) hours before the time for holding this General Meeting or any adjournment thereof.

5. The signature to the instrument appointing the proxy executed outside Malaysia must be attested by a Solicitor, Notary Public, Consul or a Magistrate.



Statement Accompanying Notice of Annual General Meeting

The following are details of the Board meetings held during the financial year ended 30 June 2011 and the attendance of the Directors thereat:

1.Details of Board meetings held during the financial year

Date	Time	Venue
26 Aug 2010 21 Oct 2010 25 Nov 2010 24 Feb 2011 26 May 2011	10:00 a.m. 10:00 a.m. 10:00 a.m. 10:00 a.m. 10:00 a.m.	Board Room, No. 2, 4 & 6 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur.

2.Directors' attendance at Board meetings

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

Directors	Appointment	Attendance
Tan Sri Dato' Tajudin Ramli	01 Jun 1992	5/5
Datuk Emam Mohd Haniff Emam Mohd Hussain	30 Oct 2001	5/5
Dato' Abdul Halim Abdullah	15 Dec 2000	5/5
Dato' Abdul Malek Ahmad Shazili	06 Nov 2003	5/5
Dato' Hj Abdul Hamid Mustapha	06 Nov 2003	4/5
Dato' Lim Kheng Yew	12 Dec 2007	5/5
Dato' Bistamam Ramli	15 Dec 2000	5/5
Datuk Mohd Shu'aib Ishak	15 Dec 2000	4/5
Encik Fazlan Azri Tajudin	23 May 2006	5/5

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

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

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

DATO' ABDUL MALEK AHMAD SHAZILI
Independent, Non-Executive Director

DATO' HJ ABDUL HAMID MUSTAPHA
Independent, Non-Executive Director

The profiles of the Directors who are standing for re-election are set out on pages 14 to 18 of the Annual Report.

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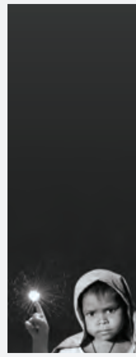
Corporate Information



Corporate Information

BOARD OF DIRECTORS

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

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

Dato' Abdul Halim Abdullah
Independent Non-Executive Director

Dato' Abdul Malek Ahmad Shazili
Independent Non-Executive Director

Dato' Hj Abdul Hamid Mustapha
Independent Non-Executive Director

Dato' Lim Kheng Yew
Independent Non-Executive Director

Dato' Bistamam Ramli
Managing Director

Datuk Mohd Shu'aib Ishak
Executive Director

Fazlan Azri Tajudin
Executive Director

AUDIT COMMITTEE

Dato' Abdul Halim Abdullah
Chairman
Independent Non-Executive Director

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

Dato' Lim Kheng Yew
Independent Non-Executive Director

Dato' Abdul Malek Ahmad Shazili
Independent Non-Executive Director

COMPANY SECRETARY

Datin Rizana Mohamad Daud
(LS 08993)

ASSISTANT COMPANY SECRETARY

Asbanizam Abu Bakar
(LS 06958)

Corporate Information

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
McMillan Woods Mea (AF: 1995)
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, Malaysia.
Tel : 03–7841 8000 Fax : 03–7841 8151/03–7841 8152

Principal Bankers
Malayan Banking Berhad
CIMB Bank Berhad
Bank Muamalat Malaysia Berhad

Listing
Main Market
Bursa Malaysia Securities Berhad

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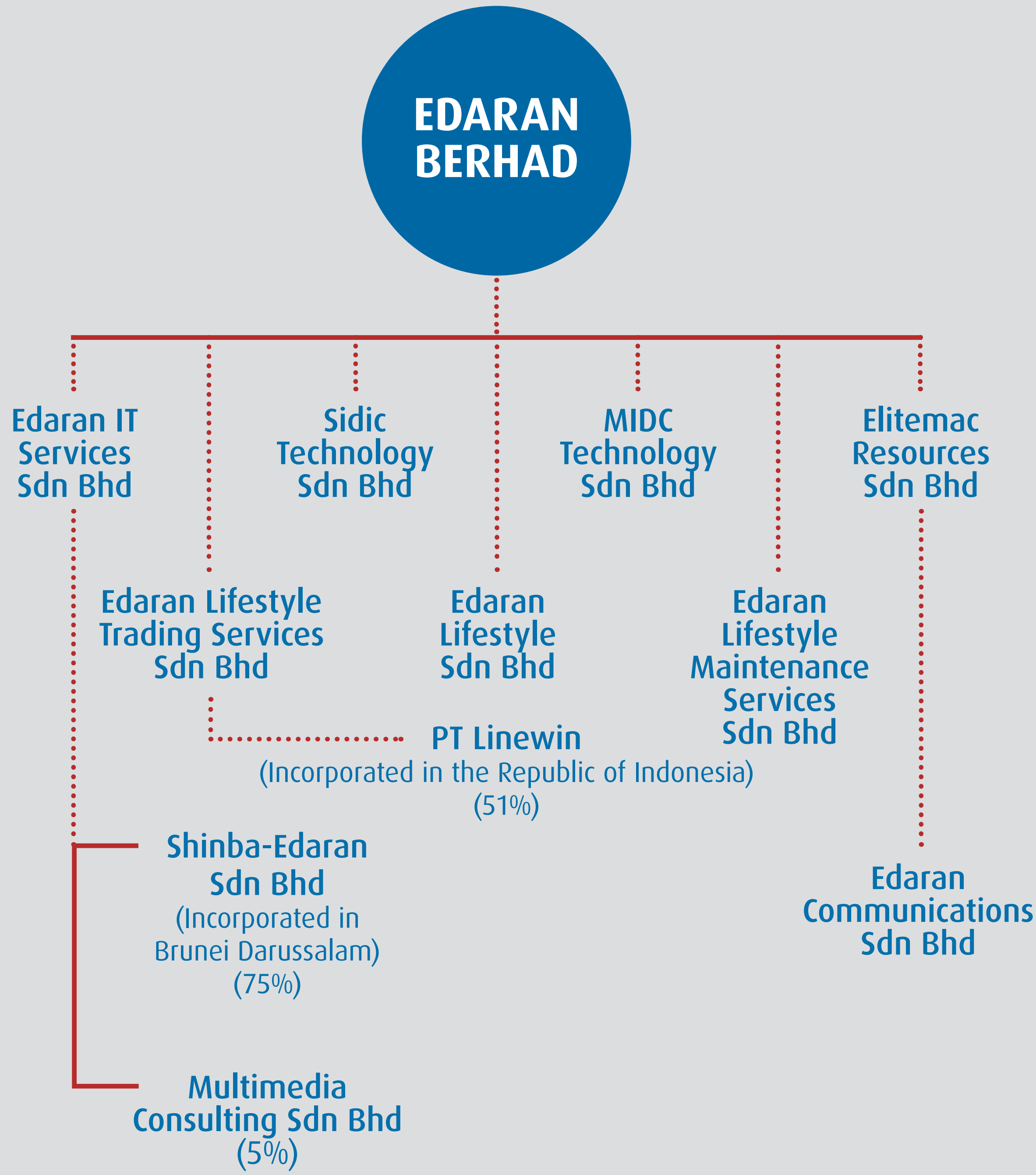
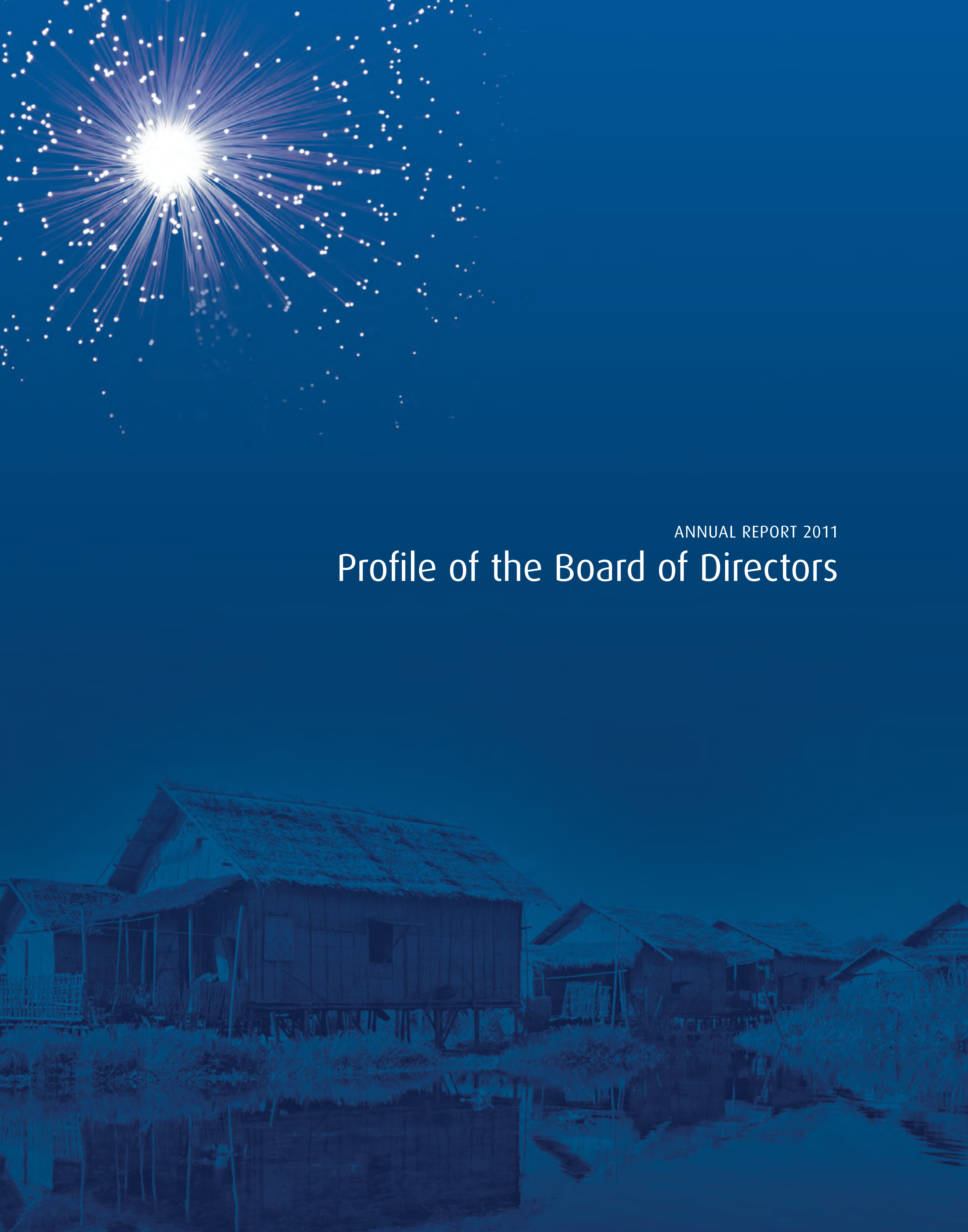
Corporate Structure

Corporate Structure



Note: Unless stated, shareholding is 100%



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Profile of the Board of Directors

Profile of the Board of Directors

1 TAN SRI DATO' TAJUDIN RAMLI

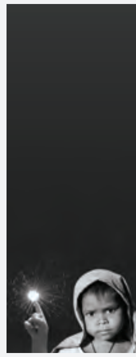
Chairman
Non-Independent Non-Executive Director

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 65, 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.

2 DATUK EMAM MOHD HANIFF EMAM MOHD HUSSAIN

Senior Independent Non-Executive Director

Datuk Emam Mohd Haniff Emam Mohd Hussain, a Malaysian, aged 69 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.



3 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 65, 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.

4 DATO' ABDUL MALEK AHMAD SHAZILI

Independent Non-Executive Director

Dato' Abdul Malek Ahmad Shazili, a Malaysian, aged 64, 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.

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5 DATO' HJ ABDUL HAMID MUSTAPHA

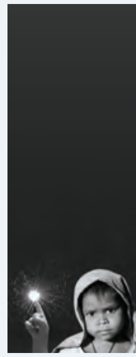
Independent Non-Executive Director

Dato' Hj Abdul Hamid Mustapha, a Malaysian, aged 65, 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.

6 DATO' LIM KHENG YEW

Independent Non-Executive Director

Dato' Lim Kheng Yew, aged 60 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.



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7 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 49, 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.

8 DATUK MOHD SHU’AIB ISHAK

Executive Director

Datuk Mohd Shu’aib Ishak, aged 52, 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.


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9 FAZLAN AZRI TAJUDIN
Executive Director

Fazlan Azri Tajudin, aged 36, 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.

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The Management Committee

The Management Committee

1 **Mustafa Rawther Mohamed Rawther**
Executive Vice President

2 **Md Arif Haji Hasan**
Executive Vice President

3 **Fazlan Azri Tajudin**
Executive Director

4 **Dato' Bistamam Ramli**
Managing Director

5 **Datuk Mohd Shu'aib Ishak**
Executive Director


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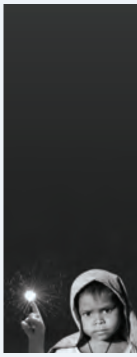
Message from the Chairman



Chairman's Statement

"Innovative media like Facebook, Twitter, Linkedin, blogs, internet and websites have invaded our spheres whether we are ready to welcome them or not."

Valued Shareholders and Partners,

EDARAN BERHAD has come to the close of another financial year and it is customary for me as Chairman to present to you the company's Annual Report for 2011.

Financial Performance

It has been a slower year for the company. Our financial performance slackened. However, EDARAN remains positive that efforts invested in the company's IT and non-IT related business activities over the past 12 to 18 months will begin to yield positive returns in the future.

The Group recorded a total revenue of RM 43.4 million for the financial year in review , a drop of 24% from the previous year. As a result of the contracted revenue, the Group incurred a loss after tax of RM7.85 million compared to a profit after tax of RM415 thousand for the previous year. The poorer performance of the Group can be attributed partly to the cautious spending of organisations and the tighter budgets allocated to these companies' IT requirements.

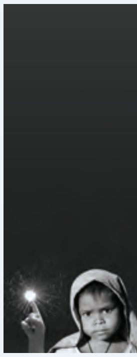
" .... these innovations have impacted upon the timeliness, content, presentation and quality of communication."

Technology Explosion

EDARAN takes into cognizance the changing dynamics of the world as a result of the explosive mushrooming of new technologies, the most significant of which are happening within the area of media and communications technology.

The rising tide of new communications technology brings with it an avalanche of socio-economic and cultural changes that impact the way communities, governments and individuals interact. Innovative media like Facebook, Twitter, Linkedin, blogs, internet and websites have invaded our spheres whether we are ready to welcome them or not. Without a doubt, these innovations have impacted upon the timeliness, content, presentation and quality of communication. Today's information infrastructure carries a torrential amount of data at unprecedented speeds. Conversations, ideas, views and intellectual discourses are disseminated to millions in nanoseconds. The possibilities are as exciting as they are intimidating and dangerous. In most recent history, we have witnessed corporations and leaders being toppled through the use of the internet.

Such is the power of new technology today.



"Individual creativity and entrepreneurialism aided by these technological innovations have given rise to a complex pattern of interaction."

A More Connected World

At EDARAN, we recognise that as a member of the ICT industry, we are in the epicentre of this explosion and choosing to ignore its effects and influence will be at our own peril.

EDARAN must remain alert to the possibilities being opened up by new technology. The company's established footing in the IT environment stands us in good stead to help organisations capitalise on the benefits of innovations in the field of communication. We recognise that computers have become ever more powerful tools, indeed they have become second selves. While some individuals are competently using new computer and IT technology to create his or her own lifestyle, others less savvy are drowning in the whirlpool of new technology and merely herded along by the masses. Similarly, while some organisations are using new technology to reach their customers on a more personal basis, some others are lagging behind. Individual creativity and entrepreneurialism aided by these technological innovations have given rise to a complex pattern of interaction. These very technologies are enabling communication to be aimed at the individual rather than at the masses, and at more efficient cost too. High speed broadband internet, websites, blog sites and smart phones are enabling customers to size up products and suppliers effortlessly. Likewise, vendors resort to advanced software to aid them in getting to know their prospective customers better. Retailers have a full plethora of new media channels to promote their wares and services. Paradigms of interaction in the business world are changing. The tide of change will continue to sweep across the globe and while the world is unquestionably more connected, we cannot be sure where the tide will take us all.

"The tide of change will continue to sweep across the globe and while the world is unquestionably more connected, we cannot be sure where the tide will take us all.

Delivering on Our Corporate Social Responsibility

In the face of this explosive development in technology, EDARAN must be acutely and profoundly aware of the less than desirable consequences that manifest themselves in all aspects of the environment and societal life. It is as much EDARAN's as it is other corporate citizens' responsibility to be attentive to the downside of this technology boom which has the power to destroy good values and practices in the name of progress. EDARAN as a corporate citizen in this quagmire of society must take steps and make concerted efforts to defend the destruction of what is ultimately the human mind and soul, at least within its immediate environment.

To that end, EDARAN's maintains its focus on bridging individuals and societies to knowledge so that individuals may have greater awareness of their environment and be on guard to protect their values. Indeed, EDARAN's social responsibility takes on added significance with the emergence of new media technology. Social media such as Friendster, Facebook, message board, twitter and interactive websites have introduced what can be termed a participatory culture. These tools are fast replacing conventional forms of interaction. They are a major influence on the way individuals and societies learn, play, socialise and participate in civic life. EDARAN sees greater urgency in ensuring that individuals and communities are adequately equipped with skills and knowledge to cope with these changing paradigms of societal life. EDARAN appreciates that crucial skills must be taught so that the communities it interfaces with and serves, including its employees, customers and partners will be able to effectively work with these new technologies and extract the value these technologies bring. EDARAN sees the urgent need to educate society on the ethical and proper use of these powerful technologies.

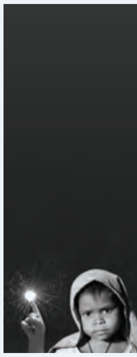
The applications of new media will hence be both the tools and the subjects of EDARAN's continuing efforts to develop better skilled and informed individuals. The company continues to train undergraduates and graduates through its internship programme. Beyond developing skills and imparting knowledge, one of the main goals of EDARAN's internship programme is to instil in its young interns, good job ethics and values that make them wholesome and useful citizens.

"Establishing our operations in Indonesia was a calculated move and places us in a strategic position to reach the European, Asian and Far Eastern markets more effectively."

Moving Forward

The IT industry is perking up although vestiges of the last slowdown in the global economy continue to be felt in certain sectors of the industry. Some organisations are continuing to maintain a cautious budget on expenditure in IT hardware, preferring to maximise on existing investments and holding off purchases and upgrades of IT systems until they are confident of a sustainable economic recovery.

EDARAN will keep a focus on its stable of core activities, especially network services and systems maintenance, putting an emphasis on customer care and client retention. Beyond that, we will keep our sight cast on new business opportunities in the area of software applications and services. The national broadband initiative has led to greater broadband penetration. This augurs well for our efforts to latch onto consumers' growing demand for



speedy connectivity and mobility. EDARAN will also continue to seek out new business within the small and medium sized enterprises for which IT products are becoming more affordable and whose IT environment will become more sophisticated as they expand.

The company's strategic move into non-IT related activities to mitigate its dependency on a single revenue stream is beginning to show promise. EDARAN through Edaran Lifestyle Trading Services, continues to be explore new opportunities and activities in the lifestyle segment.

We are optimistic about our recent venture into the manufacturing and marketing of timber based products in Indonesia. The growing global demand for timber products plus the more sustainable cost of operations in Indonesia make it viable and conducive for our involvement in both the upstream and downstream aspect of the business. Establishing our operations in Indonesia was a calculated move and places us in a strategic position to reach the European, Asian and Far Eastern markets more effectively. We see promising growth in the timber based industry and therefore good reason for the expansion of our activities in Indonesia in the not too distant future.

"Our way forward is to leverage on the prevalent explosion of technology especially in communications technology to deliver solutions and infrastructure that give customers the advantage of quick connectivity."

Thinking Forward

Our way forward is to leverage on the prevalent explosion of technology especially in communications technology to deliver solutions and infrastructure that give customers the advantage of quick connectivity. Nevertheless, we know that to be an effective IT and solutions partner we have to continue to develop our people to become adept and knowledgeable. While progress in technology is a positive thing, its proliferation prompts an urgent need to ready ourselves and society on the whole for its imminent onslaught. New technology has its inherent drawbacks and dangers simply because applied irrationally and irresponsibly, technology can wreak havoc and chaos. Applied intelligently and sensibly, it brings a world of benefits. Hence more than ever, there is a need to propagate a thinking culture not only so that we can have a handle on new technology and apply it sensibly for the betterment of humanity but also that it may not be underused. Like every organisation set on progress, EDARAN is not exempted from the need to continually develop its human intellect and acumen or else run the risk of stagnating or worse, rotting and being left behind.

"Like every organisation set on progress, EDARAN is not exempted from the need to continually develop its human intellect and acumen or else run the risk of stagnating or worse, rotting and being left behind."

Appreciation

In closing, I wish to express my appreciation to all our stakeholders who have continued to place their confidence and trust in the company. To our valued customers, thank you for your support. You are the reason we will want to become a better organisation.

To the Staff, the Management and our Board of Directors, I wish to express my heartfelt thanks for your loyalty and commitment towards this company. Your every effort and contribution, your time, your ideas and determination will go towards the sustenance and continuity of this company.

Last but not least, I would like to thank our business partners and associates without whose support and help, we will be less effective in what we do.

Thank you to all.

TAJUDIN RAMLI

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Operations Review

Operations Review

About The Group

EDARAN has continued to shape itself into a respectable entity within the IT industry, sharpening 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 more widespread use of IT solutions in the development and growth of the economy. The company remains steadfast in its mission to help create a more progressive society through the capabilities of IT and new digital technology.

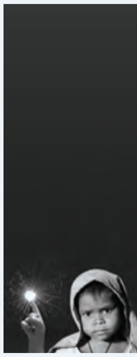
One of EDARAN's more significant contributions towards the development of the Malaysian IT environment has been the implementation of the Royal Malaysian Customs (Kastam Diraja Malaysia [KDRM]) Customs Information System [Sistem Maklumat Kastam (SMK)]. Till this present day the SMK serves as KDRM's backbone 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. The company's expanding spectrum of competencies enables it to continue contributing meaningfully to both the private and public sectors with an aim to enhance the IT environment of organisations and to improve their overall efficiencies and productivity.

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 being just a vendor of computer hardware to providing a full array of IT services and solutions needed to keep organisations and businesses functioning efficiently and productively. EDARAN remains mindful of the need to stay ahead in the industry by continually reinventing itself so as to remain relevant and effective. While traditional markets cannot be ignored, EDARAN recognises that new technology is changing social and business paradigms. Arising from these changes are new opportunities and new markets which the company will pursue.

The Group's decision to diversify its business focus led to the establishment of a lifestyle arm. This business division opens the horizon for the company to involve itself in a broad area of business. As lifestyles evolve, so will the need for lifestyle services and products. Tapping the synergies of its IT division, Edaran's Lifestyle Division is able to pack greater value in their services and products.

Upholding the philosophy that values are as important as profitability, the Group remains consciously guided by a set a values and principles embodied in its Charter. Among these principles is one that holds that EDARAN will maintain its worth to its stakeholders by continually improving itself as a knowledge-driven entity. As a corporate citizen, it believes that the intelligent and responsible application of technology must be aided by an expanding bank of knowledge, which is in fact the only true competitive edge in today's environment.

EDARAN maintains that unless it inculcates the practice of good work ethics and principles in its business activities, the company may inadvertently compromise on vital values in the pursuit of success. Delivering upon its promises to stakeholders, respecting society and sustaining the environment are fundamental to its ethos of good work practices.



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 range of IT services and smart solutions.

The company's perseverance in delivering quality service has resulted in EDARAN retaining the confidence of long term customers like Jabatan Kastam Di Raja Malaysia (Royal Malaysian Customs), UiTM, Ministry of Health and Pembangunan Sumber Manusia Berhad. (Human Resources Development Fund). Despite a challenging business environment over the year in review, EDARAN managed to secure some new projects from the Ministry of Primary Resources in Brunei Darussalam. Back here on home grounds, new contracts were secured from MARA. Although profit margins fell short of target, these efforts are paving the way for better opportunities in the coming year.

Looking ahead, EDARAN sees the increasing dependence of the world on broadband internet as a springboard to new technology and consequently to a new dimension in IT applications. The technology landscape is changing faster than some societies can cope with. Increasing bandwidth, more robust infrastructure, faster connectivity and lower costs are fuelling demand for new communications technology from both the consumer and the commercial sector. Companies are relying more on the internet to conduct their business while consumers use the internet for a whole variety of needs ranging from personal communication to shopping and procuring services. Faster, more convenient and easier retrieval of information on-line is changing the lifestyle preferences of the individual consumer. E-business looks set to become the preferred mode of business transactions. Businesses will leverage on the widespread use of the social media such as blogs, facebook, twitter and linkedin to reach their desired market at lower cost and in a shorter time. Consumers will gravitate towards video streaming and mobile applications which give access to substantial amounts of data and information.

In this paradigm shift of technology, EDARAN recognises that businesses will require more effective and cost efficient tools to sharpen their competitive edge. The company is alert to the potential of the internet and to the opportunities new technology will present, some of which will include the need for more computing and networking resources, software applications and content development. Moving forward, EDARAN will edge closely towards these developments in technology to seize opportunities that arise.

The company's traditional business activities which include systems integration and systems maintenance remain a staple for the Group. Nevertheless, even within its core activities, EDARAN innovates in the areas of application development, business intelligence, enterprise content management and networking. The company's core activities serves as the platform for recurring revenue, higher margins and future growth.

Lifestyle Division

The Group's Lifestyle Division comprises three enterprise units, namely Edaran Lifestyle, Edaran Lifestyle Trading Services and Edaran Lifestyle Maintenance Services. Driven by a common goal to bring about a higher appreciation for the good things in life, the Division strives to deliver products and services that improve the quality of life in the communities it serves. Like the rest of the Group, EDARAN's Lifestyle Division adheres to the principles embodied in Group Charter. To that end, the Lifestyle team is heedful that its business activities and projects must subscribe most of all to the principle of respect for society and minimal destruction to the environment.

The Division believes that the quest for more sophisticated and affluent lifestyles is being driven by increasingly easy access to information and greater exposure to new trends . Advancing digital and social media has made society more connected. The modernity and advancements that once belonged only to highly developed societies are now within easy reach of any society. New products, knowledge, information and new services are available to anyone with access to the internet. Edaran's Lifestyle division recognises that as new technology makes its way into the global society, new lifestyle patterns and needs will emerge.

On the trading front, the Division has been active in the area of supplying raw timber material in Medan since the middle of 2010. On June 2011, this business activity took on a stronger corporate presence when Edaran Lifestyle Trading Services acquired 51% of PT Linewin, a company domiciled in Indonesia. PT Linewin has effectively become a subsidiary of the EDARAN Group. Through this company, Edaran Lifestyle Trading Services effectively extends its involvement in the timber-based business and moves into the manufacturing and marketing of timber based products such as laminated boards and blocks.

This new business development within Edaran Lifestyle Trading Services is a positive and strategic move to diversify and enhance the company's and subsequently the Group's revenue and earnings.

With this strategic move, EDARAN effectively expands its geographical presence to include Indonesia placing the company in a better position to capture other business opportunities that may arise in the region.

The Group's Lifestyle Division will continue to explore other aspects of the lifestyle industry. leveraging on the Group's resources, particularly its IT expertise and skills to bring unique experiences, products and services to its markets. The Division will continue to 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.

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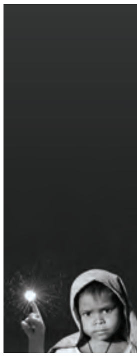
Financial Highlights

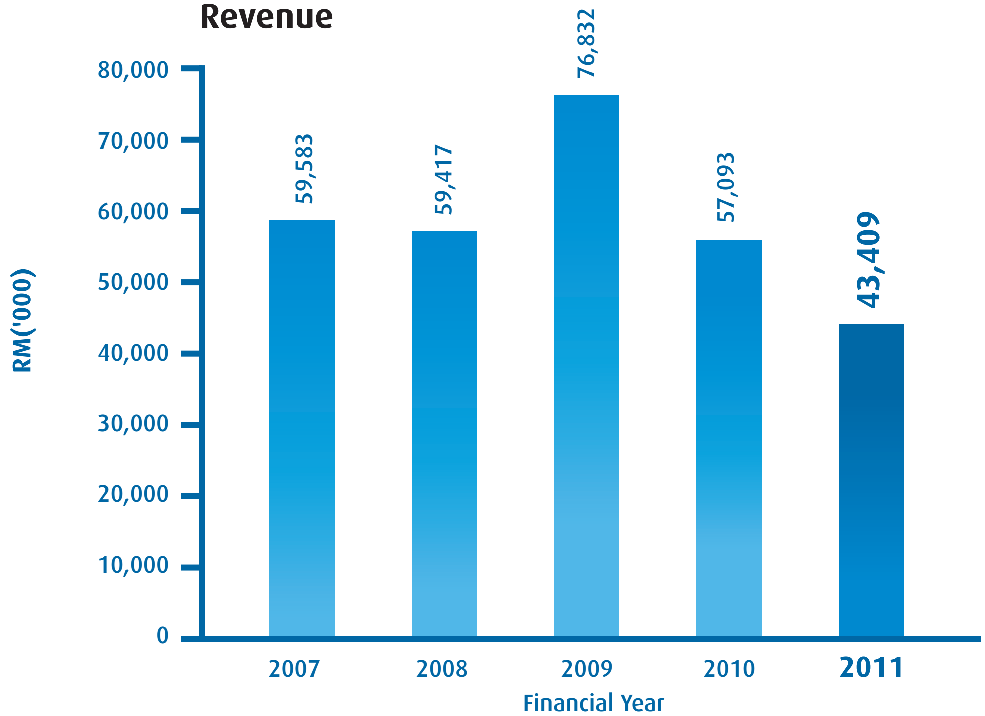
Financial Highlights as at 30 June 2011

Five Years Group Financial Highlights

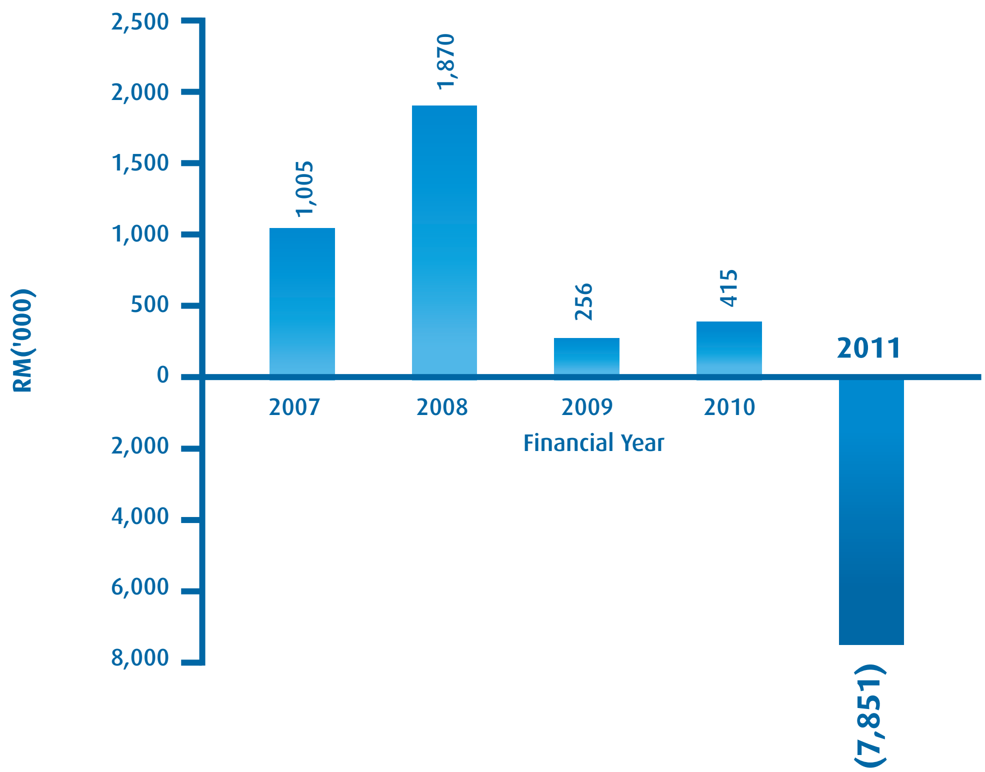
	2011 (RM'000)	2010 (RM'000)	2009 (RM'000)	2008 (RM'000)	2007 (RM'000)
INCOME STATEMENT					
REVENUE	**43,409**	57,093	76,832	59,417	59,583
(Loss)/Profit before taxation	**(8,051)**	54	103	701	1,041
Taxation	**200**	361	153	1,169	(36)
(Loss)/Profit after taxation	**(7,851)**	415	256	1,870	1,005
Net Earnings/(Loss) per share (sen)	**(12.72)**	0.69	0.43	3.21	1.68
BALANCE SHEET					
Shareholders' Fund	**39,989**	48,305	48,394	48,505	47,723
Net Current Assets	**7,581**	17,852	23,667	25,378	26,451
Total Assets	**56,799**	68,273	77,110	69,468	70,506
Long Term Debts	**1,279**	1,172	1,967	1,967	1,784
Net Assets per share (sen)	**0.67**	0.81	0.81	0.81	0.80



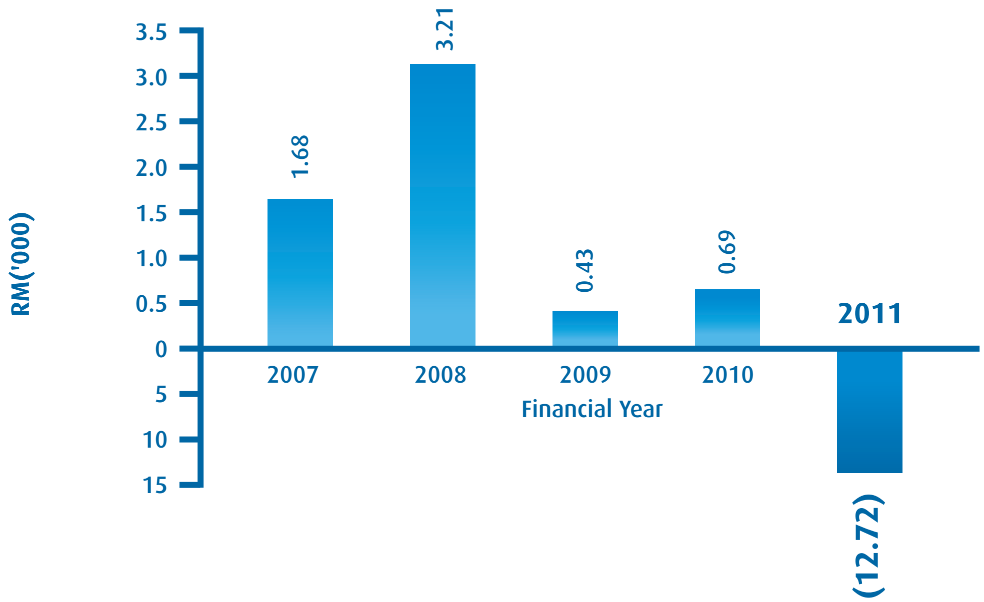
Revenue



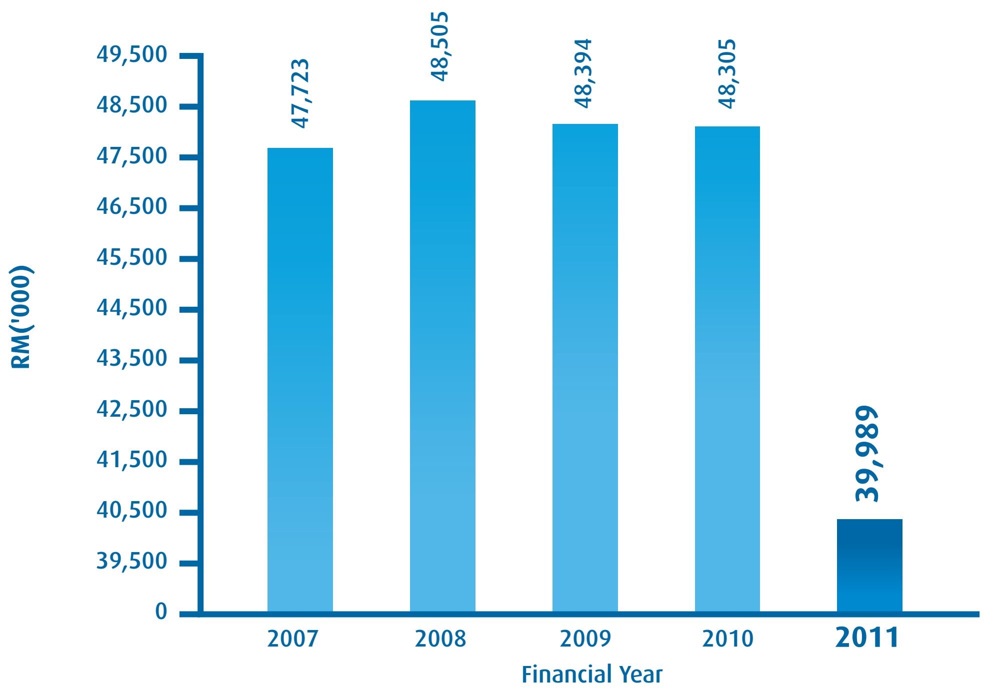
(Loss)/Profit After Taxation



Net Earning per share (sen)



Shareholder's Fund



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Statement on Corporate Governance

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

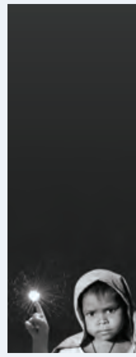
The Group continues to have a strong and experienced Board, comprising members from a wide variety of background with suitable qualifications and experience relevant to the business. The profiles of the Directors set out in the Corporate Information of this Annual Report, reflect clearly the depth and 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 2011, 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

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.

Prompted by the accelerating pace of change in business dynamics, a session on ‘Technology : Changing Ways Of Business’ was organised for the Board of Directors on 07 March 2011. The session took into cognizance the explosive proliferation of new technology which has impacted the way individuals and organisations interact and conduct their personal and business affairs. EDARAN recognised that it was not only timely but critically important to keep the Board awares and adequately informed of the innovations in the business environment in order for it to play a more effective role, as the highest authority in the management of EDARAN’s overall growth and development. The session delved specifically into the influence of new digital technology such as high speed broadband internet and media technology which are dominating the information and communications topography.

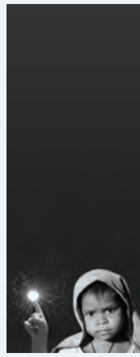
The session stressed the importance and need for the Board to be constantly alert and up to date about the rapidly shifting paradigms of business as a result of the unstoppable invasion of new technology innovations particularly innovations that have a direct impact on IT companies.

Committees Established by the Board

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

- **Audit Committee**
  The terms of reference of the Audit Committee are set out in the Audit Committee Report.

- **Nominating Committee**
  The terms of reference of the Nominating Committee are set out in the section ‘Appointments and Re-election of Directors’ in this Statement on Corporate Governance.



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

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

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

The terms of reference of the Risk Management Committee include:
- Developing a risk management framework.
- Identifying the Group's key business risks.
- Developing and implementing mitigating action plans.
- Coordinating and monitoring the effectiveness of the Group's risk management activities.

2. DIRECTORS' REMUNERATION

Level and Make-Up of Remuneration

The Executive Directors' remuneration consists of salary, allowance, bonus and other customary benefits as deemed appropriate. The Non-Executive Directors' remuneration consists of annual flat fees as a Board member and allowance for attendance of meetings. The Directors' remuneration is disclosed in Note 30 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

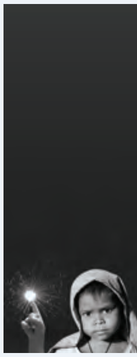
The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group. Timely releases of financial results on a quarterly basis provide the shareholders with an overview of the Group's performance and operations. In addition, information is also available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

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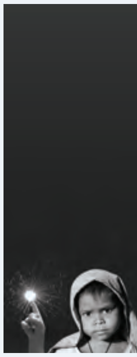
Audit Committee Report



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 from 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
03-10	25 August 2010	10.00 a.m
04-10	20 October 2010	10.00 a.m
05-10	24 November 2010	9.30 a.m
01-11	23 February 2011	2.30 p.m
02-11	25 May 2011	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	5 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 attend the meetings. Other Directors and employees of the Group shall attend the meetings only at the invitation of the Committee. As and when necessary, the external auditors will be invited into the meetings.

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

- Reviewed the annual audit plan to ensure adequate scope and coverage for the year.
- Reviewed the internal audit reports, audit recommendations made and management's responses. Where appropriate, the Audit Committee has directed action to be taken by the management to rectify and improve the system of internal controls.
- Reviewed the status reports to monitor implementation of audit recommendations to ensure that all key risks and controls have been addressed.
- Reviewed the draft audited financial statements for the financial year ended 30 June 2010.
- Reviewed the draft announcements to the Bursa Malaysia Securities Berhad on the quarterly report of the Group for the financial quarters ended 30 June 2010, 30 September 2010, 31 December 2010 and 31 March 2011.

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.

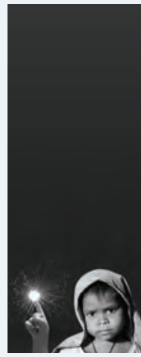
4. TERMS OF REFERENCE

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 quarter.

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

- Review with the external auditor, its audit plan.
- Review with the external auditor, its evaluation of the system of internal controls.
- Review with the external auditor, its audit report.
- Review the assistance given by the employees of the Company to the external auditor.
- Review the adequacy of the scope, functions, competency and resources of the internal audit functions and ensure that it has the necessary authority to carry out its work.
- Review the internal audit programme, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.



- Review the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on changes in or implementation of major accounting policy changes, significant or unusual events and compliance with accounting standards and other legal requirements.
- Review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- Review any letter of resignation from the external auditor of the Company.
- Review whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.
- Review the external auditor's management letter and the management's response thereto.
- Review any appraisal or assessment of the performance of members of the internal audit function.
- Review any appointment or termination of senior staff members of the internal audit function.
- Review the appointment and remuneration of the external auditor each year and make recommendation thereon.
- To be informed of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning, if necessary.
- Consider the major findings of internal investigations and management's response thereto.
- Consider other topics as defined by the Board of Directors from time to time.
- Provide support, as deemed necessary, to the internal audit activities.
- Recommend the nomination of a person or persons as external auditor.

Access

The Audit Committee shall have:

- The authority to investigate any matter within its terms of reference.
- The resources, which are required to perform its duties.
- Full and unrestricted access to any information pertaining to the Group.
- Direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.
- Independent professional or other advice, as deemed necessary.
- The rights to convene meetings with the external auditors, excluding the attendance of the Executive Members of the Committee.
- To report to the Bursa Malaysia Securities Berhad should the Committee opine that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Bursa Securities 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 2011 was approximately RM120,000.

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 2011, 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.

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Statement on Internal Control

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 2011 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.

ANNUAL REPORT 2011

Additional Compliance Statement

Additional Compliance Statement

1. Directors (as at 30 September 2011)
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 14 to 18 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 to 6 of this Annual Report.

3. Offence (as at 30 September 2011)
None of the Directors has been convicted for offences within the past ten years other than traffic offences, if at all there was any.

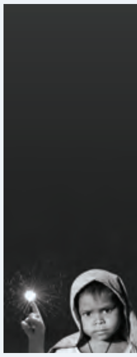
4. Conflict of Interest (as at 30 September 2011)
There has been no conflict of interest between any of the Directors and the Company and its subsidiaries.

5. Share Buyback
The Company did not enter into any share buy-back transactions during the financial year.

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 2011)
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 2011)
There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.



9. Non-Audit Fees

There was no amount of non-audit fees paid to external auditors by the Group during the financial year ended 30 June 2011.

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 2011.

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 19 of the Financial Statements.

15. List of Properties

The list of properties is stated on pages 130 to 131 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 and Note 34 of the Financial Statements.

Listing Compliance Status

A. Shareholding

The majority of EDARAN BERHAD (EDARAN) shares are held by Bumiputera shareholders and details of the shareholdings as at 30 September 2011 are as follows:

	No. of Shares	% of Paid Up Capital
Malaysian		
Bumiputra	51,080,900	85.14
Non-Bumiputra	8,768,062	14.61
Total Malaysian	**59,848,962**	**99.75**
Foreign	151,038	0.25
Total	**60,000,000**	**100.00**

B. Related Party Transactions

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

C. Overdue Debts

As at 30 June 2011, the amount owing from net trade debtors is approximately RM6.33 million (RM11.08 million FY 2010) of which the amount over the 365 days period is approximately RM2.11 million (RM2.90 million FY 2010).

ANNUAL REPORT 2011

Statement of Directors' Responsibility in Relation to the Financial Statements

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.

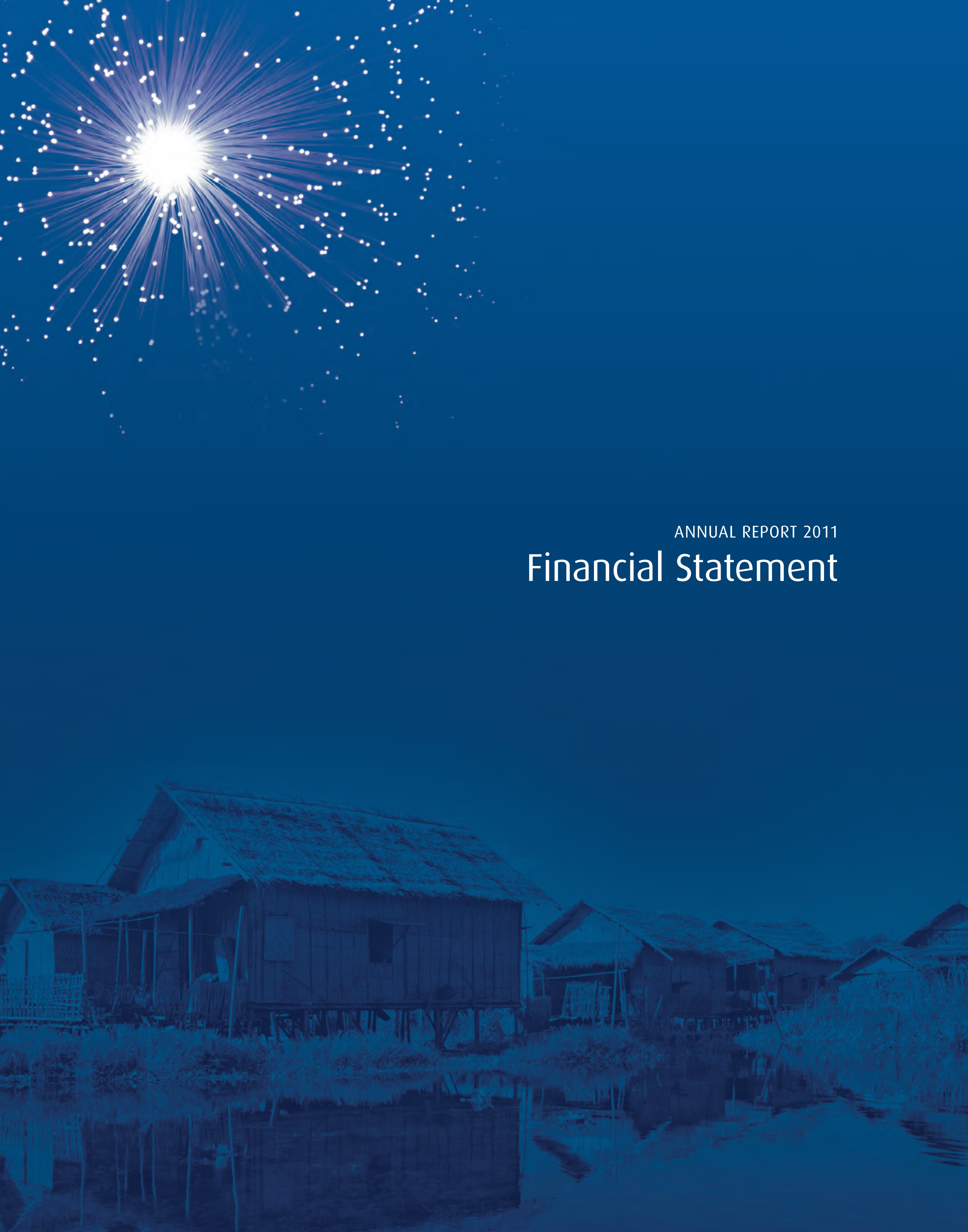
The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy so as to provide a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of their results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



ANNUAL REPORT 2011

Financial Statement

Directors' Report

EDARAN BERHAD (241644 W)
(Incorporated in Malaysia)

Directors' Report

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 2011.

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 9 to the financial statements. There have been no significant changes in the nature of activities during the financial year.

Results of Operations

	Group RM	Company RM
Loss for the year	7,851,144	3,212,246
Attributable to:		
Owners of the Company	7,634,253	3,212,246
Non-controlling interest	216,891	—
	7,851,144	3,212,246

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:

	Amount RM
First and final dividend of 0.78 sen tax exempt per ordinary share of RM1 each in respect of the financial year ended 2010 was paid on 27 December 2010	451,660

The directors do not recommend any dividend payment in respect of the current financial year.

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.

Directors' Report

Treasury Shares

As at 30 June 2011, 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 disclosed in Note 18 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.

Directors' Report

Other Financial Information (Contd.)

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' Report

Directors' Interests

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

	Number of Ordinary Shares of RM1 each			
	As at 1.7.2010	Bought	Sold	As at 30.6.2011
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)	791,200	61,900	-	853,100

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. and Kauthar General Services Sdn. Bhd. which hold 289,600 and 563,500 shares in the Company respectively.

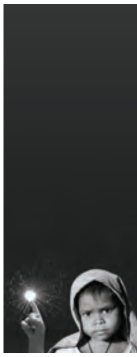
Tan Sri Dato' Tajudin Ramli, Datuk Mohd Shu'aib Ishak and Fazlan Azri Tajudin by virtue of their interest in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

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.



Directors' Report

Auditors

The auditors, Messrs. McMillan Woods Mea, have indicated their willingness to continue in office.

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

Dato' Abdul Halim Abdullah

Dato' Bistamam Ramli

Kuala Lumpur
Date: 19 October 2011

Statement by Directors

EDARAN BERHAD (241644 W)
(Incorporated in Malaysia)

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 67 to 124 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 financial position of the Group and of the Company as at 30 June 2011 and of their financial performance 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
Date: 19 October 2011

Statutory Declaration

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 67 to 124, 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 19 October 2011 }

Dato' Bistamam Ramli

Before me,

Raymond Cha Kar Siang
No. B362
Commissioner for Oaths

Auditors' Report

McMillan Woods Mea (AF 1995)
CHARTERED ACCOUNTANTS
305 Block E, Phileo Damansara I, 9 Jalan 16/11, Off Jalan Damansara,
46350 Petaling Jaya, Selangor. Tel: +603 7665 1872 Fax: +603 7955 8626

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 statements of financial position as at 30 June 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and the statements of cash flows 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 67 to 124.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' Report

Independent Auditors' Report (Contd.)
to the Members Of EDARAN BERHAD (241644 W)
(Incorporated in Malaysia)

and fair view of the financial position of the Group and of the Company as at 30 June 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act, to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of the subsidiary of which we have not acted as auditors, which are indicated in Note 9 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 Reporting Responsibilities

The supplementary information set out in Note 39 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

McMillan Woods Mea (AF 1995)
Chartered Accountants

Mea Fatt Leong
1346/8/13 (J)
Chartered Accountant
Partner

Petaling Jaya
19 October 2011

Consolidated Statement of Financial Position

EDARAN BERHAD (241644 W)
(Incorporated in Malaysia)

Consolidated Statement of Financial Position
As at 30 June 2011

	Note	2011 RM	2010 RM (Restated)
ASSETS			
Non-current assets			
Intangible asset	7	2,781,550	—
Property, plant and equipment	5	22,258,987	22,979,772
Prepaid land lease payments	6	—	—
Investment property	8	8,645,144	8,645,144
Other investments	11	2,051	2
		33,687,732	31,624,918
Current assets			
Inventories	10	127,142	—
Amount due from customers on contracts	12	4,047,634	8,977,284
Trade receivables	13	6,330,549	11,080,047
Other receivables, deposits and prepayments	14	2,382,015	1,592,898
Tax recoverable		362,500	485,907
Deposits with licensed banks	15	8,244,674	11,095,083
Cash and bank balances		1,616,769	3,416,732
		23,111,283	36,647,951
TOTAL ASSETS		56,799,015	68,272,869
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	16	60,000,000	60,000,000
Share premium	17	8,022,580	8,022,580
Treasury shares	18	(1,049,536)	(1,049,536)
Revaluation reserve	19	1,224,926	1,224,926
Translation reserve	23	(68,734)	(77,357)
Available-for-sale ("AFS") reserve	24	2,049	—
Accumulated loss		(27,901,803)	(19,815,890)
		40,229,482	48,304,723
Non-controlling interests		(240,318)	—
Total Equity		39,989,164	48,304,723
Non-current liabilities			
Borrowings	20	1,279,439	1,171,721
Current liabilities			
Amount due to customers on contracts	12	1,261,809	210,668
Amount due to directors	25	450,155	—
Trade payables	26	4,936,808	10,260,933
Other payables and accruals	27	5,863,726	5,860,037
Borrowings	20	3,017,914	2,464,787
		15,530,412	18,796,425
Total liabilities		16,809,851	19,968,146
TOTAL EQUITY AND LIABILITIES		56,799,015	68,272,869

See accompanying Notes to the financial statements

Statement of Financial Position

EDARAN BERHAD (241644 W)
(Incorporated in Malaysia)

Statement of Financial Position
As at 30 June 2011

	Note	2011 RM	2010 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,673,508	7,490,450
Investment in subsidiaries	9	29,030,734	29,030,734
Amount due from subsidiaries	22	18,773,947	20,650,756
		54,478,189	57,171,940
Current assets			
Other receivables, deposits and prepayments	14	153,507	155,567
Tax recoverable		362,500	485,907
Cash and bank balances		40,848	1,940,758
		556,855	2,582,232
TOTAL ASSETS		55,035,044	59,754,172
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	16	60,000,000	60,000,000
Share premium	17	8,022,580	8,022,580
Treasury shares	18	(1,049,536)	(1,049,536)
Accumulated loss		(31,743,746)	(28,079,840)
Total Equity		35,229,298	38,893,204
Non-current liabilities			
Amount due to a subsidiary	22	16,822,707	16,995,036
Current liabilities			
Other payables and accruals	27	2,983,039	3,865,932
Total liabilities		19,805,746	20,860,968
TOTAL EQUITY AND LIABILITIES		55,035,044	59,754,172

See accompanying Notes to the financial statements

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2011

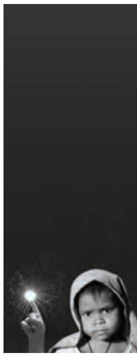
	Note	Attributable to Owners of the Company									
		Non-distributable									
		Share Capital RM	Share Premium RM	Treasury Shares RM	Revaluation Reserve RM	Translation Reserve RM	AFS Reserve RM	Accumulated Loss RM	Attributable to Owners of the Company RM	Non-Controlling Interest RM	Total Equity RM
At 1.7.2010											
As previously reported		60,000,000	8,022,580	(1,049,536)	1,224,926	(77,357)	—	(19,815,890)	48,304,723	—	48,304,723
Effect of adopting FRS 139 (Note 2.1)		—	—	—	—	—	1,549	—	1,549	—	1,549
As restated		60,000,000	8,022,580	(1,049,536)	1,224,926	(77,357)	1,549	(19,815,890)	48,306,272	—	48,306,272
Total comprehensive loss for the year		—	—	—	—	8,623	500	(7,634,253)	(7,625,130)	(240,318)	(7,865,448)
Transactions with owners											
Purchase of treasury shares	18	—	—	—	—	—	—	—	—	—	—
Dividend paid		—	—	—	—	—	—	(451,660)	(451,660)	—	(451,660)
Total transactions with owners		—	—	—	—	—	—	(451,660)	(451,660)	—	(451,660)
At 30.6.2011		60,000,000	8,022,580	(1,049,536)	1,224,926	(68,734)	2,049	(27,901,803)	40,229,482	(240,318)	39,989,164
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
Total comprehensive income for the year		—	—	—	—	(50,965)	—	414,781	363,816	—	363,816
Transactions with owners											
Purchase of treasury shares	18	—	—	(1,012)	—	—	—	—	(1,012)	—	(1,012)
Dividend paid		—	—	—	—	—	—	(451,676)	(451,676)	—	(451,676)
Total transactions with owners		—	—	(1,012)	—	—	—	(451,676)	(452,688)	—	(452,688)
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

See accompanying Notes to the financial statements

Statement of Changes In Equity for the Year Ended 30 June 2011

	Note	Non-distributable				
		Share Capital RM	Share Premium RM	Treasury Shares RM	Accumulated Loss RM	Total Equity RM
At 1.7.2010		60,000,000	8,022,580	(1,049,536)	(28,079,840)	38,893,204
Total comprehensive loss for the year		—	—	—	(3,212,246)	(3,212,246)
Transactions with owners						
Purchase of treasury shares	18	—	—	—	—	—
Dividend paid		—	—	—	(451,660)	(451,660)
		—	—	—	(451,660)	(451,660)
At 30.6.2011		60,000,000	8,022,580	(1,049,536)	(31,743,746)	35,229,298
At 1.7.2009		60,000,000	8,022,580	(1,048,524)	(28,266,137)	38,707,919
Total comprehensive income for the year		—	—	—	637,973	637,973
Transactions with owners						
Purchase of treasury shares	18	—	—	(1,012)	—	(1,012)
Dividend paid		—	—	—	(451,676)	(451,676)
		—	—	(1,012)	(451,676)	(451,688)
At 30.6.2010		60,000,000	8,022,580	(1,049,536)	(28,079,840)	38,893,204

See accompanying Notes to the financial statements



Consolidated Statement of Comprehensive Income

EDARAN BERHAD (241644 W)
(Incorporated In Malaysia)

Consolidated Statement of Comprehensive Income For The Year Ended 30 June 2011

	Note	2011 RM	2010 RM (Restated)
Revenue			
Contract revenue	12	40,750,722	56,483,392
Trading revenue		2,209,052	—
Services rendered		449,148	609,376
		43,408,922	57,092,768
Cost of sales		(32,923,377)	(41,002,654)
Gross profit		10,485,545	16,090,114
Other operating income		438,765	512,510
Administrative expenses		(10,888,613)	(10,123,049)
Selling and marketing expenses		(849,775)	(278,305)
Other operating expenses		(6,956,776)	(5,892,505)
(Loss)/profit from operations		(7,770,854)	308,765
Finance costs		(280,011)	(255,301)
(Loss)/profit before tax	28	(8,050,865)	53,464
Income tax	31	199,721	361,317
(Loss)/profit for the year		(7,851,144)	414,781
Other comprehensive income			
Gain on changes in fair value of available-for-sale investments		500	—
Currency translation of foreign subsidiaries		(14,804)	(50,965)
Total comprehensive (loss)/income for the year attributable to owners of the Company		(7,865,448)	363,816
(Loss)/profit attributable to :			
Owners of the Company		(7,634,253)	414,781
Minority interests		(216,891)	—
(Loss)/profit for the year		(7,851,144)	414,781
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(7,625,130)	363,816
Minority interests		(240,318)	—
		(7,865,448)	363,816
(Loss) / earnings per share (sen)	33	(12.72)	0.69

See accompanying Notes to the financial statements

Statement of Comprehensive Income

EDARAN BERHAD (241644 W)
(Incorporated In Malaysia)

Statement of Comprehensive Income for the Year Ended 30 June 2011

	Note	2011 RM	2010 RM
Revenue		648,000	2,898,000
Other operating income		661,951	864,861
Administrative expenses		(2,724,097)	(2,359,266)
Selling and marketing expenses		(80,975)	(3,000)
Other operating expenses		(1,916,846)	(761,439)
(Loss)/profit from operations		(3,411,967)	639,156
Finance costs		—	—
(Loss)/profit before tax	28	(3,411,967)	639,156
Income tax	31	199,721	(1,183)
(Loss)/profit for the year		(3,212,246)	637,973
Other comprehensive income		—	—
Total comprehensive (loss)/income for the year attributable to owners of the Company		(3,212,246)	637,973

See accompanying Notes to the financial statements

Consolidated Statement of Cash Flows

EDARAN BERHAD (241644 W)
(Incorporated In Malaysia)

Consolidated Statement of Cash Flows for the Year Ended 30 June 2011

	Note	2011 RM	2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(8,050,865)	53,464
Adjustments for:			
Depreciation		2,408,398	1,794,124
Interest expense		280,011	255,301
Interest income		220,472	(265,125)
Amortisation of prepaid land lease		—	95,137
Gain on disposal of property, plant and equipment		(85,082)	(516)
Impairment loss on other investment		—	42,233
Bad debt written off		—	97,958
Operating profit before working capital changes		(5,227,066)	2,072,576
(Increase)/decrease in inventories		(102,043)	16,534
Decrease in receivables		4,148,778	13,742,644
Decrease/(increase) in amounts due from customers on contracts		4,929,650	(1,186,724)
Increase/(decrease) in amounts due to customers on contracts		1,051,141	(2,334,261)
Increase in amount due to a director		(501,715)	—
(Decrease)/increase in payables		(8,153,563)	(4,799,977)
Cash generated from operating activities		(3,854,818)	7,510,792
Income tax refund		323,128	250,178
Interest paid		(280,011)	(255,301)
Interest received		(220,472)	265,125
		(4,032,173)	7,770,794
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(456,186)	(6,907,334)
Proceeds from disposal of property, plant and equipment		86,374	2,779
Net cash acquired on acquisition of subsidiary		574,164	—
		204,352	(6,904,555)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from disposal of investment in associate		—	28,910
Dividend paid		(451,660)	(451,676)
Repayment of hire purchase payable		(541,586)	(512,414)
Repayment of term loan		(230,848)	(797,868)
Repurchase of treasury shares		—	(1,012)
Increase/(decrease) in trust receipts		113,800	(1,181,200)
(Decrease)/increase in bankers' acceptances		(174,000)	54,000
Decrease in deposits pledged as security with licensed bank		1,361,343	1,189,983
		77,049	(1,671,277)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,750,772)	(805,038)
Effects of foreign exchange rate changes		(97,318)	(37,587)
Balance at beginning of year		5,164,769	6,007,394
Balance at end of year		1,316,679	5,164,769
CASH AND CASH EQUIVALENTS CONSIST OF:			
Cash and bank balances		1,616,769	3,416,732
Deposits with licensed banks		8,244,674	11,095,083
Bank overdraft		(1,382,688)	(823,627)
		8,478,755	13,688,188
Less: Deposits pledged as security with licensed banks		(7,162,076)	(8,523,419)
		1,316,679	5,164,769

See accompanying Notes to the financial statements

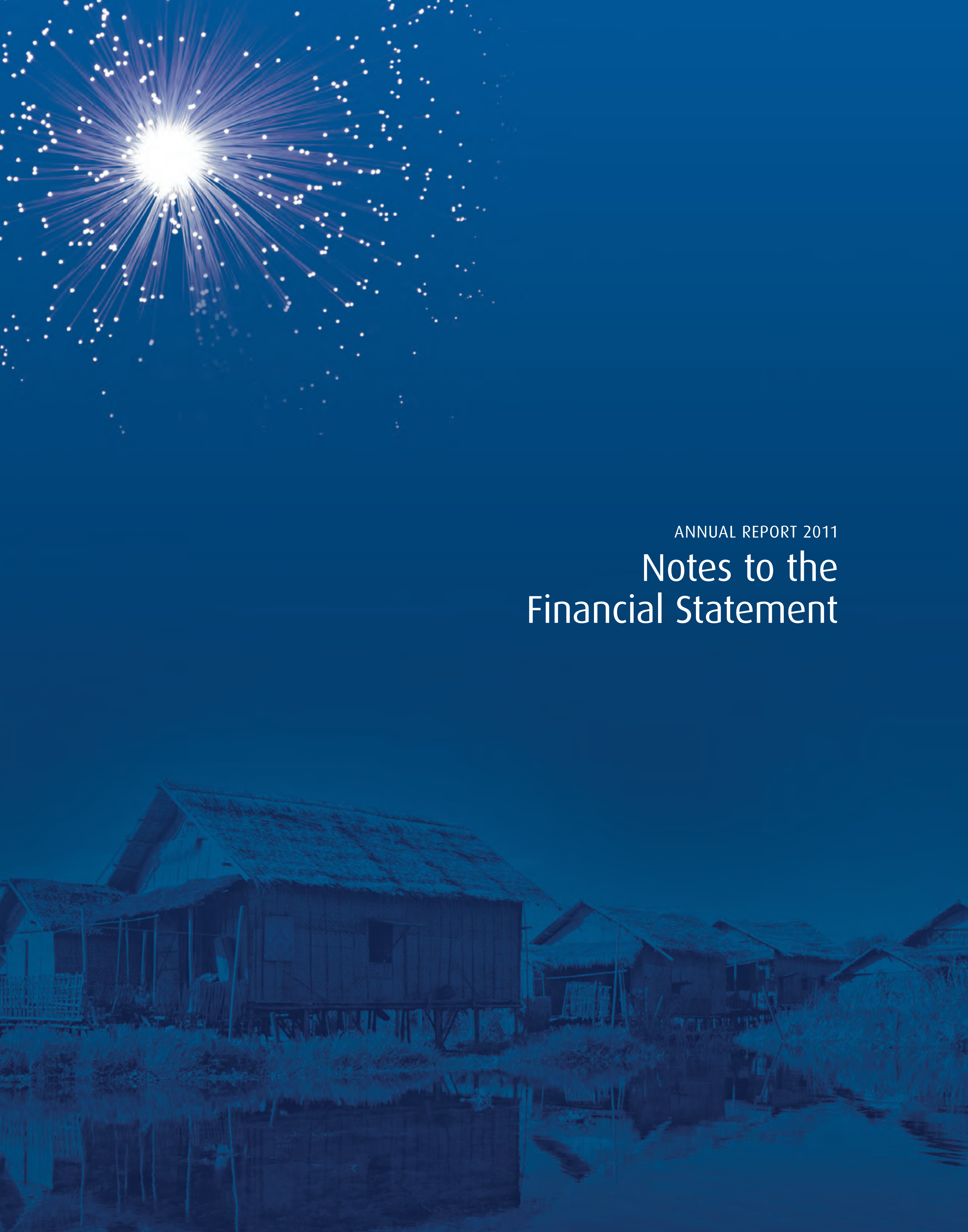
Statement of Cash Flows

EDARAN BERHAD (241644 W)
(Incorporated in Malaysia)

Statement of Cash Flows for the Year Ended 30 June 2011

	2011 RM	2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(3,411,967)	639,156
Adjustments for:		
Depreciation	924,444	304,913
Dividend income from subsidiary	—	(2,250,000)
Interest income	(661,951)	(864,861)
Operating loss before working capital changes	(3,149,474)	(2,170,792)
Decrease/(increase) in receivables	2,060	(30,612)
(Decrease)/increase in payables	(882,893)	3,399,198
Cash (used in)/generated from operating activities	(4,030,307)	1,197,794
Income tax refund	323,128	250,178
Interest received	661,951	864,861
	(3,045,228)	2,312,833
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(107,502)	(6,574,223)
Dividends received	—	1,887,500
Repayments from subsidiaries	1,704,480	2,692,424
Investment in subsidiary	—	(29,994)
	1,596,978	(2,024,293)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(451,660)	(451,676)
Repurchase of treasury shares	—	(1,012)
	(451,660)	(452,688)
NET DECREASE IN CASH	(1,899,910)	(164,148)
Balance at beginning of year	1,940,758	2,104,906
Balance at end of year	40,848	1,940,758
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and bank balances	40,848	1 ,940,758

See accompanying Notes to the financial statements



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Notes to the Financial Statement

Notes to the Financial Statements

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 9 to the financial statements. There have been no significant changes in the nature of 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 19 October 2011.

2. Basis Of Preparation

The financial statements of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

At the beginning of current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.1 to the financial statements.

The financial statements of the Group and the Company have been prepared on the historical cost basis.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires the directors' best knowledge of current events and actions, and therefore actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

Notes to the Financial Statements

2. Basis of Preparation (Contd.)

2.1 Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations adopted during the financial year

- FRS 1 First-time Adoption of Financial Reporting Standards (Revised)
- FRS 3 Business Combinations (Revised)
- FRS 4 Insurance Contracts
- FRS 7 Financial Instruments: Disclosures
- FRS 101 Presentation of Financial Statements (revised 2009)
- FRS 123 Borrowing Costs
- FRS 127 Consolidated and Separate Financial Statements
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2 Share-based Payment
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7 Financial Instruments: Disclosures
- Amendment to FRS 8 Operating Segments
- Amendment to FRS 107 Statement of Cash Flows
- Amendment to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendment to FRS 110 Events after the Reporting Period
- Amendment to FRS 116 Property, Plant and Equipment
- Amendment to FRS 117 Leases
- Amendment to FRS 118 Revenue
- Amendment to FRS 119 Employee Benefits
- Amendment to FRS 120 Accounting for Government Grants and Disclosures of Government Assistance
- Amendment to FRS 123 Borrowing Costs
- Amendment to FRS 127 Consolidated and Separate Financial Statements
- Amendment to FRS 128 Investment in Associates
- Amendment to FRS 129 Financial Reporting in Hyperinflationary Economies
- Amendment to FRS 131 Interest in Joint Ventures
- Amendments to FRS 132 Financial Instruments: Presentation and Classification of Rights Issues
- Amendment to FRS 134 Interim Financial Reporting
- Amendment to FRS 136 Impairment of Assets
- Amendment to FRS 138 Intangible Assets
- Amendment to FRS 140 Investment Property
- Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 Distributions of Non-cash Assets to Owners

Notes to the Financial Statements

2. Basis of Preparation (Contd.)

2.1 Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations adopted during the financial year (Contd.)

The adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 3 Business Combinations (Revised)

The revised FRS 3 introduces a significant number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Changes include:

- Transaction costs would no longer be capitalised as part of the cost of acquisition but will be expensed immediately.
- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss.
- The Group elects, for each acquisition of a business, whether to measure non-controlling interest (previously described as minority interests) at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, and this impacts the amount of goodwill recognised; and
- When a business is acquired in stages, the previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss, and this impacts the amount of goodwill recognised.

According to its transitional provision, the revised FRS 3 has been applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 January 2010 are not adjusted.

FRS 127 Consolidated and Separate Financial Statements (Revised)

Changes in significant accounting policies resulting from the adoption of the revised FRS 127 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss.
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

According to its transitional provisions, the revised FRS 127 has been applied prospectively, and does not impact the Group's consolidate financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 January 2010. The changes will affect future transactions with non-controlling interest.

Notes to the Financial Statements

2. Basis of Preparation (Contd.)

2.1 Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations adopted during the financial year (Contd.)

FRS 7 Financial Instruments: Disclosure

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation.

FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 30 June 2011.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of the financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognized in income statement, together with all other items of recognized income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Company has elected to present this statement as one single statement.

There is no impact on the Company's financial statements as this change in accounting policies affects only the presentation of the Company's financial statements.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

Amendment to FRS 117 Leases

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all the risk and rewards incidental to ownership.

Hence, all leasehold land held for own use was classified as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment allocated to the land represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

Notes to the Financial Statements

2. Basis Of Preparation (Contd.)

2.1 Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations adopted during the financial year (Contd.)

Amendment to FRS 117 Leases (contd.)

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the consolidated statement of financial position and statement of comprehensive income for the financial year ended 30 June 2010 arising from the above change in accounting policy:

		Increase / (Decrease)
Consolidated statement of financial position		**RM**
Property, plant and equipment	- Cost	8,429,000
	- Accumulated depreciation	(285,411)
Prepaid land lease payments		8,143,589
Consolidated statement of comprehensive income		
Amortisation of prepaid land lease payments		(95,137)
Depreciation		95,137

The following comparatives have been restated:

	As previously reported	Reclassification	As Restated
As at 30 June 2010	**RM**	**RM**	**RM**
Prepaid land lease payments	8,143,589	(8,143,589)	-
Property, plant and equipment (Note 5)			
- Cost	27,329,975	8,429,000	35,758,975
- Accumulated depreciation	(12,493,792)	(285,411)	(12,779,203)
Depreciation (Note 5 and 28)	1,794,124	95,137	1,889,261
Amortisation of prepaid land lease payments (Note 28)	95,137	(95,137)	-
As at 30 June 2009			
Prepaid land lease payments	8,238,726	(8,238,726)	-
Property, plant and equipment			
- Cost	20,473,916	8,429,000	28,902,916
- Accumulated depreciation	(10,735,302)	(190,274)	(10,925,576)

Notes to the Financial Statements

2. Basis Of Preparation (Contd.)

2.1 Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations adopted during the financial year (Contd.)

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 established principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 July 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 July 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

(i) Equity instruments

Prior to 1 July 2010, the Group classified its investment in equity instruments which were held for non-trading purposes as non-current other investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, these investments, except for those whose fair value cannot be reliably measured, are designated at 1 July 2010 as available-for-sale financial assets and accordingly are stated at it's fair values as at the date amounting to RM1,550. The adjustment to it's previous carrying amount are recognised as adjustment to the opening balance of fair value adjustment reserve as at 1 July 2010. Investment in equity instrument whose fair value cannot be reliably measured amounting to RM1 at 1 July 2010 continued to be carried at cost less impairment losses.

(ii) Impairment of trade and other receivables

Prior to 1 July 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 July 2010, the Group has re-measured and assessed the allowance for impairment losses as at that date in accordance with FRS 139 and there was no further adjustment required.

Notes to the Financial Statements

2. Basis Of Preparation (Contd.)

2.1 Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations adopted during the financial year (Contd.)

FRS 139 Financial Instruments: Recognition and Measurement (contd.)

(iii) Financial guarantee contracts

During the current and prior years, the Company provided financial guarantees to financial institutions in connection with bank borrowings and other banking facilities granted to its subsidiaries. Prior to 1 July 2010, the Company did not provide for such guarantees unless it was more likely than not that guarantees would be called upon. The guarantees were disclosed as contingent liabilities. The impact of this reporting standard has no significant impact to the results of the Group and the Company.

The Company has assessed the financial guarantee contracts and concluded that the guarantees are not likely to be called upon by the financial institutions.

(iv) Inter-company loans

During the current and prior years, the Company granted interest-free or low than market interest loans and advances to some of its subsidiary companies. Prior to 1 July 2010, these loans and advances were recorded at cost in the Company's financial statements.

Upon adoption of FRS 139, these inter-company loans and advances are recorded initially at fair value and subsequently at amortised cost. The Company reassessed the carrying amount of the debts due from its subsidiary companies as at 1 July 2010 and determined there were no significant differences from the amount recognised previously as the balances are repayable on demand.

Notes to the Financial Statements

2. Basis Of Preparation (Contd.)

2.2 FRSs, Amendments to FRSs and Interpretations not yet effective

At the date of authorisation of these financial statements, the following FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs, Amendments to FRSs and Interpretations		Effective for Financial Periods Beginning On or After
FRS 124	Related Party Disclosures	1 January 2012
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters Additional Exemption for First-time Adopters	1 January 2011
Amendment to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendment to FRS 3	Business Combinations	1 January 2011
Amendment to FRS 101	Presentation of Financial Statements	1 January 2011
Amendment to FRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2011
Amendment to FRS 124	Related Party Disclosures	1 January 2012
Amendment to FRS 128	Investment in Associates	1 January 2011
Amendment to FRS 131	Interest in Joint Ventures	1 January 2011
Amendment to FRS 132	Financial Instruments: Presentation	1 January 2011
Amendment to FRS 134	Interim Financial Reporting	1 January 2011
Amendment to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2011
IC Interpretation 4	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendment To Interpretation 13	Customer Loyalty Programmes	1 January 2011
Amendment To Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
Amendment To Interpretation 15	Agreements for the Construction of Real Estate	30 August 2010

The directors do not anticipate that the application of the above revised FRSs, amendments/ improvements to FRSs, IC Int and amendments to IC Int, when they are effective, will have a material impact on the results and the financial position of the Group and the Company.

Notes to the Financial Statements

3. Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiary companies are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. 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 consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intra-group balances, transactions and unrealised gains or losses are eliminated in full.

Acquisitions of subsidiary companies are accounted for using the acquisition method. The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

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

(ii) Basis of Consolidation (Contd.)
Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 3(b). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

(iii) Non-controlling interest
Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When control is lost, any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. Losses are required to be allocated to non-controlling interests, even if it results in the non-controlling interest to be in a deficit position.

(b) Goodwill

Goodwill arising on an acquisition of a subsidiary is initially measured at cost, being the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measure at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(b) Goodwill (Contd.)

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 3(s).

(c) 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:

Leasehold lands	Amortised over the lease period
Building	2%
Renovations	5% - 20%
Office equipment, equipment tools, motor vehicles, air conditioners and furniture & fittings	20%
Telephone, facsimiles and computers	33.33%

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(c) Property, Plant and Equipment and Depreciation (Contd.)

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

(d) 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. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties.

Gains or losses arising from changes in the fair values of investment properties are recognised in the profit or loss in the year in which they arise.

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.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair values is recognised directly in other comprehensive income. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of the investment property, any surplus previously recorded in other comprehensive income is transferred to retained earnings.

(e) Inventories

Inventories consisting of only merchandise are stated at the lower of cost and net realisable value after adequate allowances has been made for damaged, obsolete and slow moving items. Cost is principally determined on weighted average basis.

Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(f) Financial Assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instruments. Financial assets are derecognised when the contractual rights to the cash flow from the financial assets expired or if the Group and the Company transfer the financial assets to another party without retaining control or substantially all risks and rewards of the assets.

(i) Classification
The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The loans and receivables comprise of trade and other receivables (excluding prepayments), amounts due from subsidiaries (at entity level) and deposits, bank and cash balances.

(ii) Recognition and initial recognition
Financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

Purchase or sales of financial assets that require delivery of asset within a time frame established by regulation or convention in the market place (regular way purchase) are recognised on the trade date i.e. date the Company commits to purchase or sell the assets.

(iii) Subsequent measurement
Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, through the amortisation process.

(iv) Impairment of financial assets
The Group and the Company assess at each statement of financial position date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(f) Financial Assets (Contd.)

(iv) Impairment of financial assets (Contd.)
A financial asset or group of financial assets is deemed to be impaired if, and only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial assets of the group of financial assets that can be reliably estimated.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When the trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

In accordance with the transitional provision of FRS 139, the impact of FRS 139 is accounted prospectively with adjustments to be made to the opening balances in the statement of financial position. Comparative figures need not be adjusted.

(g) Cash and Cash Equivalents

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

(h) Financial Liabilities

Financial liabilities are recognised in the statement of financial position when and only when the Company becomes a party to the contractual provision of the instrument. Financial liabilities are derecognised when the obligations specified in the contract expired or are discharged or cancelled.

(i) Classification
Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(h) Financial Liabilities (Contd.)

Other financial liabilities
The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(ii) Recognition and initial measurement
Other financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

(iii) Subsequent measurement
Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised, and through the amortisation process.

In accordance with the transitional provision of FRS 139, the impact of FRS 139 is accounted prospectively with adjustments to be made to the opening balances in the statement of financial position. Comparative figures need not be adjusted.

(i) 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.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(i) Lease and Hire Purchase (Contd.)

(iii) Prepaid lease payments
Prepaid lease payments consist of prepayments for long leasehold land and are carried at revalued amount less accumulated amortisation and accumulated impairment loss. The prepaid lease payments are amortised in equal instalments over the respective lease periods.

(j) 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 end of the reporting period. 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.

(k) Provision for Liabilities

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

(l) 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 end of the reporting period.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(l) Income Taxes (Contd.)

Deferred taxation is provided for using the 'liability' method, on temporary differences at the end of the reporting period 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 end of the reporting period.

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

(m) 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.

(n) 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.

(o) 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.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(o) Treasury Shares (Contd.)

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.

(p) Impairment of Non-Financial Assets

At the end of each reporting period, 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.

(q) 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.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(r) Revenue Recognition

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

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

(s) Foreign Currencies

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

(ii) Foreign Currency Transactions
Transactions in foreign currencies during the financial year are converted into Ringgit Malaysia at the rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the end of the reporting period 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 companies incorporated in Brunei and Indonesia are translated into the presentation currency at average exchange rates for the financial year and at the closing exchange rate as at the end of the reporting period respectively.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

Notes to the Financial Statements

3. Significant Accounting Policies (Contd.)

(s) Foreign Currencies (Contd.)

(iii) Foreign Operations (Contd.)

The principal exchange rates used for every unit of foreign currencies ruling at the end of the reporting period used are as follows:

	2011	2010
	RM	**RM**
1 Brunei Dollar ("BND")	2.4600	2.3200
100 Indonesian Rupiah ("IDR")	0.0351	-

(t) 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.

(u) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

4. Significant Accounting Estimates and Judgement

Critical Accounting Estimates and Judgements
The preparation of financial statements in accordance with FRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgement are continually evaluated and based on past experience, reasonable expectations of future events and other factors. These estimates and judgements include:

Notes to the Financial Statements

4. Significant Accounting Estimates and Judgement (Contd.)

Critical Accounting Estimates and Judgements (Contd.)

(i) Allowance for receivables
The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Management specifically analyses customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(ii) Provision for taxation
The Group is subject to income taxes whereby significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of investment in subsidiaries
Investment in subsidiaries is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Significant judgement is required in the estimation of the fair value less costs to sell and the present value of future cash flows generated by the assets, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions can significantly affect the results of the Company's test for impairment of investments in subsidiaries.

Notes to the Financial Statements

5. Property, Plant and Equipment

Group	Long Term Leasehold Land RM	Buildings RM	Furniture & Fittings RM	Office Equipment RM	Renovations RM	Motor Vehicles RM	Equipment Tools RM	Gymnasium Equipment RM	Plant & Machinery RM	Total Equity RM
Cost / Valuation										
At 1.7.2009										
As previously reported	—	4,177,000	762,392	6,015,535	3,037,826	5,491,395	986,348	3,420	—	20,473,916
Effect of adopting FRS 117	8,429,000	—	—	—	—	—	—	—	—	8,429,000
As restated	8,429,000	4,177,000	762,392	6,015,535	3,037,826	5,491,395	986,348	3,420	—	28,902,916
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 (Restated)	8,429,000	4,177,000	878,040	8,614,791	7,181,791	5,488,585	986,348	3,420	—	35,758,975
At 1.7.2010	—									
As previously reported	—	4,177,000	878,040	8,614,791	7,181,791	5,488,585	986,348	3,420	—	27,329,975
Effect of adopting FRS 117	8,429,000	—	—	—	—	—	—	—	—	8,429,000
As restated	8,429,000	4,177,000	878,040	8,614,791	7,181,791	5,488,585	986,348	3,420	—	35,758,975
Additions	—	—	7,337	425,265	17,484	—	6,100	—	—	456,186
Acquisition of a subsidiary	—	—	1,122	21,173	—	106,958	—	—	1,068,376	1,197,629
Disposals	—	—	—	(1,500)	—	(624,332)	—	—	—	(625,832)
Exchange differences	—	—	4,588	6,961	23,980	6,592	—	—	18,505	60,626
At 30.6.2011	8,429,000	4,177,000	891,087	9,066,690	7,223,255	4,977,803	992,448	3,420	1,086,881	36,847,584
Accumulated Depreciation										
At 1.7.2009										
As previously reported	—	167,080	561,469	4,451,690	1,716,127	2,853,664	981,853	3,419	—	10,735,302
Effect of adopting FRS 117	190,274	—	—	—	—	—	—	—	—	190,274
As restated	190,274	167,080	561,469	4,451,690	1,716,127	2,853,664	981,853	3,419	—	10,925,576
Charge										
Effect of adopting FRS 117	95,137	—	—	—	—	—	—	—	—	95,137
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 (Restated)	285,411	250,620	632,708	5,208,146	1,902,662	3,511,416	984,821	3,419	—	12,779,203
At 1.7.2010										
As previously reported	—	250,620	632,708	5,208,146	1,902,662	3,511,416	984,821	3,419	—	12,493,792
Effect of adopting FRS 117	285,411	—	—	—	—	—	—	—	—	285,411
As restated	285,411	250,620	632,708	5,208,146	1,902,662	3,511,416	984,821	3,419	—	12,779,203
Charge for the year	95,137	83,540	75,850	1,033,519	460,463	658,603	1,286	—	—	2,408,398
Disposals	—	—	—	(208)	—	(624,332)	—	—	—	(624,540)
Exchange differences	—	—	2,975	5,528	14,980	2,053	—	—	—	25,536
At 30.6.2011	380,548	334,160	711,533	6,246,985	2,378,105	3,547,740	986,107	3,419	—	14,588,597
Net Book Value										
At 30.6.2011	8,048,452	3,842,840	179,554	2,819,705	4,845,150	1,430,063	6,341	1	1,086,881	22,258,987
At 30.6.2010 (Restated)	8,143,589	3,926,380	245,332	3,406,645	5,279,129	1,977,169	1,527	1	—	22,979,772

See accompanying Notes to the financial statements

Notes to the Financial Statements

5. Property, Plant and Equipment (Contd.)

Company	At 1.7.2010 RM	Additions RM	Disposals RM	At 30.6.2011 RM
Cost				
Office equipment	3,707,648	90,018	-	3,797,666
Renovations	5,243,472	17,484	-	5,260,956
Motor vehicles	158,710	-	-	158,710
Gymnasium equipment	3,420	-	-	3,420
	9,113,250	107,502	-	9,220,752
Accumulated Depreciation				
Office equipment	1,055,827	625,467	-	1,681,294
Renovations	404,845	298,977	-	703,822
Motor vehicles	158,709	-	-	158,709
Gymnasium equipment	3,419	-	-	3,419
	1,622,800	924,444	-	2,547,244
Net Book Value				
Office equipment	2,651,821	(535,449)	-	2,116,372
Renovations	4,838,627	(281,493)	-	4,557,134
Motor vehicles	1	-	-	1
Gymnasium equipment	1	-	-	1
	7,490,450	(816,942)	-	6,673,508

Depreciation charge for year 2010	Company RM
Office equipment	253,499
Renovations	51,414
Motor vehicles	-
Gymnasium equipment	-
	304,913

Notes to the Financial Statements

5. Property, Plant and Equipment

On 27 March 2007, the buildings and 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.

Had the property 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:

	Group	
	2011	**2010**
	RM	**RM**
Leasehold lands	7,185,046	7,305,847
Buildings	3,273,845	3,361,589
	10,458,891	10,667,436

Net book value of property, plant and equipment held under hire purchase arrangements as disclosed in Note 21 are as follows:

	Group	
	2011	**2010**
	RM	**RM**
Motor vehicles	1,326,639	1,922,163

6. Prepaid Land Lease Payments

	Group	
	2011	**2010**
	RM	**RM** (Restated)
At Valuation:		
At 1 July	-	8,429,000
Effects of adopting the amendments to FRS 117	-	(8,429,000)
At 30 June	-	-
Accumulated Amortisation:		
At 1 July	-	(190,274)
Effects of adopting the amendments to FRS 117	-	285,411
Charge for the year	-	(95,137)
	-	-
Net Carrying Amount	-	-

Notes to the Financial Statements

6. Prepaid Land Lease Payments (Contd.)

The leasehold land has an expired lease term of 76 years. On 27 March 2007, the leasehold lands of the subsidiary companies were revalued by an independent professional valuer. Fair value is determined by reference to open market values on an existing use basis. The land has been reclassified as property, plant and equipment during the current financial year as a result of the adoption of the amendments to FRS 117 Leases.

7. Intangible Assets

	Group	
	2011	**2010**
Goodwill	**RM**	**RM**
Cost:		
At 1 July	-	-
Additions:		
- Acquisition of a subsidiary (Note 9)	2,734,361	-
- Exchange differences	47,189	-
At 30 June	2,781,550	-
Accumulated amortisation and impairment:		
At 1 July	-	-
Additions	-	-
At 30 June	-	-
Net carrying amount	2,781,550	-

Impairment testing of goodwill
No impairment testing for the financial year as goodwill arise on business combination dated 16 June 2011, hence the carrying amount approximated the recoverable amount.

8. Investment Property

	Group	
	2011	**2010**
Freehold land at cost	**RM**	**RM**
At 1 July / At 30 June	8,645,144	8,645,144

Freehold land has an unlimited useful life and therefore is not depreciated. The net book value of the investment property of the Group amounted to RM8,645,144 (RM8,645,144 in 2010).

Notes to the Financial Statements

9. Investment in Subsidiaries

	Company 2011	Company 2010
	RM	**RM**
Unquoted shares, at cost	56,194,208	56,194,208
Less: Accumulated impairment losses	(27,163,474)	(27,163,474)
	29,030,734	29,030,734

The details of the subsidiary companies are as follows:

Name of subsidiary	Equity Interest 2011	Equity Interest 2010	Country Of Incorporation	Principal Activities
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.
Subsidiary of Elitemac Resources Sdn. Bhd.				
Edaran Communications Sdn. Bhd.	100%	100%	Malaysia	Ceased operations.
Subsidiary of Edaran IT Services Sdn. Bhd.				
Shinba-Edaran Sdn. Bhd.**	75%	75%	Brunei	Information technology provider.
Subsidiary of Edaran Lifestyle Trading Services Sdn. Bhd.				
PT Linewin	51%	-	Indonesia	Manufacturing, processing and trading of timber wood including rubber wood and related product

** Audited by firm other than McMillan Woods Mea

Notes to the Financial Statements

9. Investment in Subsidiaries (Contd.)

Acquisition of Subsidiaries

On 16 June 2011, the Company acquired 51% equity interest in PT Linewin in Indonesia for a total cash consideration of RM1,500,000. The fair values of the identifiable assets and liabilities of PT Linewin as at the date of acquisition were as follows:

	Fair value RM	Carrying value RM
Property, plant and equipment	1,197,629	1,197,629
Trade and other receivables	188,397	188,397
Inventories	25,099	25,099
Cash and cash equivalents	2,074,164	2,074,164
Trade and other payables	(2,833,362)	(2,833,362)
Amount due to shareholders	(951,870)	(951,870)
Borrowings	(934,418)	(934,418)
	(4,719,650)	(4,719,650)
Net identifiable liabilities	(1,234,361)	(1,234,361)

The effect of the acquisition on cash flows is as follows:

	RM
Cash and cash equivalents of subsidiary acquired	2,074,164
Consideration paid, satisfied by cash	(1,500,000)
Net cash inflow on acquisition	574,164

<u>Goodwill arising on acquisition</u>

	RM
Fair value of identifiable liabilities	(1,234,361)
Less: Non-controlling interests	-
Group's interest in fair value of net identifiable liabilities	(1,234,361)
Goodwill on acquisition (Note 7)	2,734,361
Cost of business combination	1,500,000

Goodwill on acquisition is attributable to the opportunity for the Group to diversify the business, growth in the industry and access of resources in the country.

From the date of acquisition, PT Linewin has contributed RM61,670 to the Group's loss net of tax. If the combination had taken place at the beginning of the financial year, the Group's loss net of tax would have been RM9,851,144 and revenue would have been RM45,318,779.

Notes to the Financial Statements

10. Inventories

	Group	
	2011	2010
	RM	RM
Raw material	60,190	-
Work-in-progress	30,628	-
Consumables & spare parts	36,324	-
	127,142	-
Inventories recognised as cost of sales	-	-

11. Other Investments

	Group	
	2011	2010*
	RM	RM
Non-current		
Available-for-sale financial assets		
Carrying amount:		
Equity instruments		
- Quoted shares in Malaysia	2,050	1
- Unquoted shares	1	1
	2,051	2
Market value:		
- Quoted shares in Malaysia	2,051	1,550

* Prior to 1 July 2010, the non-current investments are stated at cost less impairment

Notes to the Financial Statements

12. Contract Work-In-Progress

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cost	59,378,603	71,965,743	-	-
Profit recognised	11,904,197	23,313,544	-	-
Progress billings	(68,496,975)	(86,512,671)	-	-
Work-in-progress	2,785,825	8,766,616	-	-
Analysis of work- in-progress				
Amount due from customers	4,047,634	8,977,284	-	-
Amount due to customers	(1,261,809)	(210,668)	-	-
	2,785,825	8,766,616	-	-
Contract revenue recognised	40,750,722	56,483,392	-	-
Contract cost recognised	30,361,570	40,771,073	-	-

13. Trade Receivables

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade receivables	39,540,740	44,290,238	-	-
Less: Provision for doubtful debts	(33,210,191)	(33,210,191)	-	-
	6,330,549	11,080,047	-	-

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.

Notes to the Financial Statements

13. Trade Receivables (Contd.)

The ageing analysis of trade receivables of the Group is as follows:

		Allowance for impairment loss			
	Gross	Individually Impaired	Collectively Impaired	Total	Net
2011	**RM**	**RM**	**RM**	**RM**	**RM**
Not past due	3,886,642	-	-	-	3,886,642
Past due 1 to 30 days	334,935	-	-	-	334,935
Past due 31 to 60 days	-	-	-	-	-
Past due 61 to 90 days	-	-	-	-	-
Past due 91 to 120 days	-	-	-	-	-
Past due more than 120 days	35,319,163	(33,210,191)	-	(33,210,191)	2,108,972
	39,540,740	(33,210,191)	-	(33,210,191)	6,330,549

Trade receivables that are neither past due nor impaired

The receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group.

None of the Group trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

As at end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balances due from 2 (4 in 2010) customers representing 33% (26% in 2010) of total net trade receivables. Included in the total net trade receivables of the Group are debts amounting to RM2,108,972 (RM2,897,424 in 2010) which have long been past due but not impaired. 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.

Notes to the Financial Statements

14. Other Receivables, Deposits and Prepayments

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Other receivables	267,608	164,620	43,393	45,018
Amount due by related company	268,906	268,906	-	-
Deposits	4,497,721	3,970,849	97,820	96,839
Prepayments	944,697	785,440	12,294	13,710
	5,978,932	5,189,815	153,507	155,567
Less: Provision for doubtful debts	(3,596,917)	(3,596,917)		-
	2,382,015	1,592,898	153,507	155,567

Amounts due by related company are unsecured, non-interest bearing and are repayable upon demand.

15. Deposits with Licensed Banks

Deposits with licensed banks of the Group amounting to RM7,162,076 (RM8,523,419 in 2010) are pledged to banks for credit facilities granted to certain subsidiaries as referred to Note 20.

The interest rates and average maturities of deposits of the Group as at 30 June 2011 range from 2.60% to 5.00% (2.05% to 3.70% in 2010) per annum and between 30 to 365 days respectively.

16. Share Capital

	Group / Company	
	2011	2010
Ordinary shares of RM1 each:	RM	RM
Authorised	100,000,000	100,000,000
Issued and fully paid	60,000,000	60,000,000

17. Share Premium

	Group / Company	
	2011	2010
	RM	RM
As at 1 July / As at 30 June	8,022,580	8,022,580

Notes to the Financial Statements

18. Treasury Shares

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
As at 1 July	1,049,536	1,048,524	1,049,536	1,048,524
Purchased	-	1,012	-	1,012
Sold	-	-	-	-
As at 30 June	1,049,536	1,049,536	1,049,536	1,049,536

The shareholders of the Company, by ordinary resolution passed in a general meeting held on 2 December 2010, 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.

Of the total 60,000,000 (60,000,000 in 2010) issued and fully paid ordinary shares as at 30 June 2011, 2,094,800 (2,094,800 in 2010) are held as treasury shares by the Company.

19. Revaluation Reserve

	Prepaid land lease payments	Buildings	Total
Group	RM	RM	RM
As at 1 July 2010 / 30 June 2011	797,286	427,640	1,224,926
Group			
As at 1 July 2009 / 30 June 2010	797,286	427,640	1,224,926

Notes to the Financial Statements

20. Borrowings

	Group		Company	
	2011	2010	2011	2011
Short Term Borrowings	**RM**	**RM**	**RM**	**RM**
Bank overdrafts	1,382,688	823,627	-	-
Banker acceptances	700,000	874,000	-	-
Term loans	238,544	226,875	-	-
Trust receipts	113,800	-	-	-
Hire purchase payable (Note 21)	582,882	540,285	-	-
	3,017,914	2,464,787	-	-
Long Term Borrowings				
Term loans	675,874	-	-	-
Hire purchase payable (Note 21)	603,565	1,171,721	-	-
	1,279,439	1,171,721	-	-
Total Borrowings				
Bank overdrafts	1,382,688	823,627	-	-
Banker acceptances	700,000	874,000	-	-
Term loans	914,418	226,875	-	-
Trust receipts	113,800	-	-	-
Hire purchase payable (Note 21)	1,186,447	1,712,006	-	-
	4,297,353	3,636,508	-	-
Maturity of borrowings (excluding hire purchase)				
Within one year	2,435,032	1,924,502	-	-
More than 1 year and less than 2 years	238,544	-	-	-
More than 2 year and less than 5 years	437,330	-	-	-
	3,110,906	1,924,502	-	-

The weighted average effective interest rates at the end of the reporting period for borrowings, excluding hire purchase payable were as follows:

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Bank overdrafts	7.60	8.50	-	-
Banker acceptances	4.35	3.75	-	-
Trust receipts	7.60	-	-	-
Term loans	9.19	7.00	-	-

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 15;
(ii) assignment of contract proceeds of certain subsidiary companies; and
(iii) corporate guarantee of the Company.

Notes to the Financial Statements

21. Hire Purchase Payable

	Group		Company	
	2011	2010	2011	2010
Minimum lease payments:	**RM**	**RM**	**RM**	**RM**
Not later than one year	627,774	611,988	-	-
More than 1 year and less than 2 years	282,213	611,988	-	-
More than 2 years and less than 5 years	339,577	621,790	-	-
	1,249,564	1,845,766	-	-
Less: Future finance charges	(63,117)	(133,760)	-	-
Present value of finance lease liabilities	1,186,447	1,712,006	-	-
Present value of finance lease liabilities:				
Not later than one year	582,882	540,285	-	-
More than 1 year and less than 2 years	504,969	561,576	-	-
More than 2 years and less than 5 years	98,596	610,145	-	-
	1,186,447	1,712,006	-	-
Analysed as:				
Due within 12 months (Note 20)	582,882	540,285	-	-
Due after 12 months (Note 20)	603,565	1,171,721	-	-
	1,186,447	1,712,006	-	-

The hire purchase payable bear interest at between 4.24% to 9.00% (4.24% to 5.61% in 2010) per annum.

22. Amount Due From / To Subsidiary Companies

The amount due from subsidiary companies bear interest at 4% (4% in 2010) per annum, is unsecured and has no fixed terms of repayment.

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

23. Foreign Currency Translation Reserve

The exchange translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

24. Available-for-Sale ("AFS") Reserve

The AFS reserve represents the cumulative fair value changes, of available-for-sale financial assets until they are disposed or impaired.

Notes to the Financial Statements

25. Amount Due to Directors

Amount due to directors is interest-free, unsecured and has no fixed terms of repayment.

26. Trade Payables

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

27. Other Payables and Accruals

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Other payables	3,956,160	3,685,691	2,776,036	3,276,036
Accruals	1,907,566	2,174,346	207,003	589,896
	5,863,726	5,860,037	2,983,039	3,865,932

28. (Loss) / Profit before Tax

	Group		Company	
	2011	2010	2011	2010
	RM	RM (Restated)	RM	RM
After charging / (crediting):				
Audit fee	46,868	46,820	12,000	12,000
Amortisation of prepaid land lease payments	-	-	-	-
Employee benefits expense (Note 29)	8,925,580	8,240,576	1,494,369	1,288,060
Depreciation	2,408,398	1,889,261	924,443	304,913
Directors' remuneration (Note 30)	1,092,250	1,092,250	410,000	410,000
Impairment loss on other investment	-	42,233	-	-
Bad debt written off	-	97,958	-	-
Rental of premises	226,545	321,082	-	-
Finance costs:				
Bank overdraft interest	123,278	27,144	-	-
Hire purchase interest	71,703	99,574	-	-
Term loan interest	12,352	47,292	-	-
Trust receipts interest	72,677	81,291	-	-
Management fee income from:				
Subsidiaries	-	-	(648,000)	(648,000)
Rental income	(130,800)	(130,800)	-	-
Dividend income	-	-	-	(2,250,000)
Interest income from:				
Deposits with licensed bank	(220,472)	(265,125)	-	-
Subsidiaries	-	-	(661,951)	(864,861)
Bad debt recovered	-	(43,674)	-	-
Gain on disposal of property, plant and equipment	(85,082)	(516)	-	-

Notes to the Financial Statements

29. Employee Benefits Expense

	Group 2011	Group 2010	Company 2011	Company 2010
	RM	RM	RM	RM
Salaries and bonus	6,788,464	6,494,962	1,016,337	910,930
EPF contributions	788,671	705,852	119,640	106,921
SOCSO contributions	60,364	53,019	9,905	9,454
Other benefits	1,288,081	986,743	348,487	269,755
	8,925,580	8,240,576	1,494,369	1,288,060

Included in staff costs of the Group and of the Company are executive directors' remuneration as further disclosed in Note 30.

30. Directors' Remuneration

	Group 2011	Group 2010	Company 2011	Company 2010
	RM	RM	RM	RM
Directors of the Company				
<u>Executive Directors</u>				
- salaries and other emoluments	876,000	876,000	240,000	240,000
- benefits-in-kind	46,250	46,250	-	-
	922,250	922,250	240,000	240,000
<u>Non-Executive Directors</u>				
- fees	170,000	170,000	170,000	170,000
	170,000	170,000	170,000	170,000
	1,092,250	1,092,250	410,000	410,000

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

	Number of Directors			
	2011		2010	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
<u>Directors of the Company</u>				
Below RM50,000	-	6	-	6
RM50,001 – RM100,000	-	-	-	-
RM100,001 – RM150,000	-	-	-	-
RM150,001 – RM200,000	-	-	-	-
RM200,001 – RM250,000	1	-	1	-
RM250,001 – RM300,000	1	-	1	-
RM300,001 – RM350,000	-	-	-	-
RM350,001 – RM400,000	1	-	1	-

Notes to the Financial Statements

31. Income Tax

	Group		Company	
	2011	**2010**	**2011**	**2010**
Income Tax	**RM**	**RM**	**RM**	**RM**
Current	-	-	-	-
Tax recoverable arising from dividend income received	-	(362,500)	-	-
(Over) / under provision in prior year	(199,721)	1,183	(199,721)	1,183
	(199,721)	(361,317)	(199,721)	1,183

As at 30 June 2011, the Group has unutilised business losses of RM20,928,685 (RM17,973,402 in 2010) and unabsorbed capital allowance of RM1,805,177 (RM1,112,863 in 2010) respectively to set off against future taxable profits. As at 30 June 2011, the Company has no unutilised business loss and unabsorbed capital allowance to set off against future taxable profits (nil in 2010).

Domestic current income tax is calculated at the statutory tax rate of 25% (2010:25%) of the estimated assessable (loss) / profit for the year. Taxation of other jurisdictions is calculate at the rates prevailing in the respective jurisdictions.

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

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
(Loss) / profit before tax	(8,050,865)	53,464	(3,411,967)	639,156
Taxation at Malaysian statutory tax rate of 25%	(2,012,718)	544,959	(852,992)	159,789
Different tax rates in the foreign subsidiary company	22,401	-	-	-
Expenses not deductible for tax purposes	513,326	414,063	153,779	77,150
Tax exempt income	-	-	-	(200,000)
Tax incentive from share of Group relief	-	-	-	(36,939)
Tax incentives *	(18,578)	(1,384,584)	-	-
Effects of tax credit arising from dividend received	-	(362,500)	-	-
(Over) / Under provision in prior year	(199,721)	1,183	(199,721)	1,183
Utilisation of unrecognised tax losses brought forward	-	(7,610)	-	-
Deferred tax assets not recognised during the year	1,495,569	433,172	699,213	-
Tax (income) / expense for the year	(199,721)	(361,317)	(199,721)	1,183

* 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.

Notes to the Financial Statements

32. Deferred Tax

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

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Unused tax losses	555,523	629,025	-	-
Unabsorbed capital allowances	150,181	-	-	-
	705,704	629,025	-	-

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

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Revaluation of leasehold land and buildings	(499,295)	(499,295)	-	-
Capital allowances claimed in excess of depreciation	(206,409)	(129,730)	-	-
	(705,704)	(629,025)	-	-

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

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Depreciation claimed in excess of capital allowances	5,691	2,062	-	-
Unused tax losses	4,602,813	3,674,712	-	-
Unabsorbed capital allowances	297,539	222,168	-	-
	4,906,043	3,896,880	-	-

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.

33. (Loss) / Earnings Per Share

The (loss) / earnings per share is calculated based on the (loss) / profit attributable to equity holders of the Company of RM7,634,253 (RM414,781 in 2010) on the 60,000,000 (60,000,000 in 2010) ordinary shares of RM1 each in issue during the financial year.

Notes to the Financial Statements

34. Related Party Transactions

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

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Management fee income from subsidiary companies	-	-	648,000	648,000
Interest income from subsidiary companies	-	-	661,951	864,861
Dividend income from subsidiary company	-	-	-	2,250,000

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.

35. Financial Instruments

a) Classification of financial instruments

The financial assets and liabilities classified into the following categories:

	Group 2011	Company 2011
Financial Assets	RM	RM
Available-for-sale:		
Other investments		
- Quoted shares in Malaysia	2,050	-
- Unquoted shares in Malaysia	1	-
Loans and receivables:		
Amount due from customers on contracts	4,047,634	-
Trade receivables	6,330,549	-
Other receivables excluding prepayments	1,481,212	141,213
Fixed deposits and repo with licensed banks	8,244,674	-
Cash and bank balances	1,616,769	40,848
Amount due from subsidiary companies	-	1,951,240
Total	21,722,889	2,133,301
Financial Liabilities		
Other financial liabilities:		
Amount due to customers on contracts	1,261,809	-
Trade payables	4,936,808	-
Other payables and accruals	5,863,726	2,983,039
Borrowings	4,297,353	-
Total	16,359,696	2,983,039

Notes to the Financial Statements

35. Financial Instruments (Contd.)

b) Fair value of financial instruments

(i) The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings of the Group and the Company at the end of the reporting date approximated their fair values due to the relatively short term nature of these financial instruments.

(ii) Amount due from subsidiary companies
It is not practical to estimate the fair values of the amount due from subsidiary companies due principally to a lack of fixed repayment term and without incurring excessive costs. However, the Company does not anticipate the carrying amount to be significantly different from the value that would eventually be settled.

(iii) Non-current borrowings
Non-current borrowings are determined by discounting the relevant cash flows using the current interest rates for similar instruments at the end of reporting date and their carrying amounts are expected to approximate fair values.

36. 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 rate risk and market price 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.

Notes to the Financial Statements

36. Financial Risk Management Objectives and Policies (Contd.)

(i) Liquidity risk (Contd.)

The following table sets out the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2011			
	Within 1 year	1 to 5 years	Over 5 years	Total
	RM	RM	RM	RM
Financial liabilities:				
Group				
Amount due to customers on contracts	1,261,809	-	-	1,261,809
Trade payables	4,936,808	-	-	4,936,808
Other payables and accruals	5,863,726	-	-	5,863,726
Borrowings	3,017,765	1,279,588	-	4,297,353
Total undiscounted financial liabilities	15,080,108	1,279,588	-	16,359,696
Company				
Other payables and accruals	2,983,039	-	-	2,983,039
Amount due to a subsidiary	16,822,707	-	-	16,822,707
Total undiscounted financial liabilities	19,805,746	-	-	19,805,746

(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 and other receivables are monitored on an ongoing basis via group management reporting procedures.

The Company provides secured corporate guarantee to banks in respect of banking facilities granted to certain wholly-owned subsidiaries.

	Group		Company	
	2011	2010	2011	2010
Corporate Guarantees	RM	RM	RM	RM
Corporate guarantee given to banks for credit facilities granted to subsidiaries	-	-	15,452,649	20,047,118
	-	-	15,452,649	20,047,118

The financial guarantees have not been recognised in the financial statements of the Company as the requirement to reimburse is remote. As at 30 June 2011, there was no indication that any subsidiary would default on payment.

Notes to the Financial Statements

36. Financial Risk Management Objectives and Policies (Contd.)

(iii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Group is exposed to foreign currency risk on transactions arising from sales or purchases and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Brunei Dollar ("BND"), Indonesian Rupiah ("IDR") and United States Dollar ("USD").

Exposure to foreign exchange risk

The Group's exposure to foreign currency risk based on the carrying amounts at the reporting date is as follows:

	BND	IDR	USD	RM	Total
	RM	RM	RM	RM	RM
As at 30 June 2011					
Financial Assets					
Amount due from customers on contracts	321,641	-	-	3,725,993	4,047,634
Trade receivables	-	18,976	111,320	6,200,254	6,330,550
Other receivables, deposits and prepayments	109,585	923,238	-	1,349,192	2,382,015
Deposits with licensed banks	274,467	-	-	7,970,207	8,244,674
Cash and bank balances	137,269	148,857	6,039	1,324,604	1,616,769
	842,962	1,091,071	117,359	20,570,250	22,621,642
Financial Liabilities					
Amount due to customers on contracts	-	-	-	(1,261,809)	(1,261,809)
Trade payables	-	(44,941)	(8,413)	(4,883,454)	(4,936,808)
Other payables, and accruals	(3,567)	(874,337)	-	(4,985,822)	(5,863,726)
Borrowings	-	(929,144)	-	(3,368,209)	(4,297,353)
	(3,567)	(1,848,422)	(8,413)	(14,499,294)	(16,359,696)
Net financial assets / (liabilities)	839,395	(757,351)	108,946	6,070,956	6,261,946
Less: Net financial assets denominated in the Company's functional currency					
Currency exposure	-	-	-	(6,070,956)	(6070,956)
	(839,397)	(757,351)	108,946	-	190,990

Notes to the Financial Statements

36. Financial Risk Management Objectives and Policies (Contd.)

(iii) Foreign exchange risk (Contd.)

Exposure to foreign exchange risk (Contd.)

	BND	IDR	USD	RM	Total
	RM	RM	RM	RM	RM
As at 30 June 2010					
Financial Assets					
Amount due from customers on contracts	-	-	-	8,977,284	8,977,284
Trade receivables	-	-	-	11,080,047	11,080,047
Other receivables, deposits and prepayments	125,384	-	-	1,467,514	1,592,898
Deposits with licensed banks	-	-	-	11,095,083	11,095,083
Cash and bank balances	453,868	-	-	2,962,864	3,416,732
	579,252	-	-	35,582,792	36,162,044
Financial Liabilities					
Amount due to customers on contracts	-	-	-	(210,668)	(210,668)
Trade payables	-	-	-	(10,260,933)	(10,260,933)
Other payables, and accruals	(28,338)	-	-	(5,831,699)	(5,860,037)
Borrowings	-	-	-	(3,636,508)	(3,636,508)
	(28,338)	-	-	(19,939,808)	(19,968,146)
Net financial assets	550,914	-	-	15,642,984	16,193,898
Less: Net financial assets denominated in the Company's functional currency	-	-	-	(15,642,984)	(15,642,984)
Currency exposure	550,914	-	-	-	550,914

Foreign exchange risk sensitivity analysis

The Group's exposure to sensitivity of exchange risk is insignificant as the transactional currencies are mostly in the functional currencies of the respective operating entities.

Notes to the Financial Statements

36. Financial Risk Management Objectives and Policies (Contd.)

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

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 Group's primary interest rate risk relates to interest bearing debt; the Company had no long term interest-bearing assets as at 30 June 2011. 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 information on maturity dates and effective interest rate of financial assets and liabilities are disclosed in their respective notes.

In view of the above, there is no interest rate sensitivity analysis presented as changes in market interest rates will have insignificant impact to the Group.

(v) Market Price Risk

Market price risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market price risk.

The Group has minimal exposure to market price risk as at the end of the reporting date because of its relative low investment in quoted shares.

There is no sensitivity analysis presented as the impact on changes in market price on the Group's financial instruments held as at the end of reporting date is insignificant.

37. Capital Management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

Management monitors capital based on shareholders' equity attributable to owners of the Company.

Notes to the Financial Statements

38. Segment Information

The Group has four reportable segments as follows:

(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.

(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, woods trading and manufacturing 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).

Notes to the Financial Statements

38. Operating Segments (Contd.)

	Investment Holdings		Information Technology and Services		Telecommunications		Lifestyle		Total	
	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM
Segment profit /(loss)	(3,411,967)	639,156	(2,429,057)	4,181,552	(555,278)	(513,061)	(709,802)	(881,476)	(7,106,104)	3,426,171
Included in the measure of segment profit / (loss) are:										
External sales	—	—	41,199,870	57,092,768	—	—	2,209,052	—	43,408,922	57,092,768
Inter-segment sales	648,000	2,898,000	—	—	—	—	—	—	648,000	2,898,000
Finance income	661,951	864,861	193,120	231,647	27,153	33,478	199	—	882,423	1,129,986
Depreciation & amortisation	(924,444)	(304,913)	(1,068,667)	(1,201,764)	(401,115)	(371,945)	(14,172)	(10,639)	(2,408,398)	(1,889,261)
Gain /(loss) on disposal of plant & equipment	—	—	85,082	516	—	—	—	—	85,082	516
Impairment of other investment	—	—	—	—	—	(42,233)	—	—	—	(42,233)
Reversal of overprovision of purchases	—	—	—	—	—	72,395	—	—	—	72,395
Not included in the measure of segment profit / (loss) but provided to Chief Executive Officer										
Finance costs	—	—	(671,022)	(886,569)	(226,104)	(199,409)	(9,132)	—	(906,258)	(1,085,978)
Tax income /(expense)	199,721	(1,183)	—	—	—	—	—	—	199,721	(1,183)
Segment assets	55,035,044	59,754,172	39,657,847	49,369,893	37,360,379	37,745,619	6,022,533	339,998	138,075,803	147,209,682
Included in the measure of segment assets are:										
Additions to non-current assets other than financial instruments and deferred tax assets	107,502	6,574,223	322,172	296,719	—	—	1,094,888	36,392	1,524,562	6,907,334

Notes to the Financial Statements

38. Operating Segments (Contd.)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilites and other material items

	2011 RM	2010 RM
Profit or loss		
Total (loss)/profit for reportable segments	(7,106,104)	3,426,171
Other non-reportable segments	(2,800)	(2,545)
Elimination of inter-segment profits	(661,951)	(3,114,861)
Finance costs	(280,010)	(255,301)
Consolidated (loss) / profit before tax	(8,050,865)	53,464

2011	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	43,408,922	(2,408,398)	(906,258)	882,423	138,075,803	1,524,562
Other non-reportable segments	—	—	(35,703)	—	3,915	—
Elimination of inter-segment transactions or balances	—	—	661,951	(661,951)	(81,282,752)	—
Consolidated total	43,408,922	(2,408,398)	(280,010)	220,472	56,796,966	1,524,562

Notes to the Financial Statements

38. Operating Segments (Contd.)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilites and other material items (Contd.)

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	57,092,768	(1,889,261)	(1,085,978)	1,129,986	147,209,682	6,907,334
Other non-reportable segments	—	—	(34,184)	—	3,933	—
Elimination of inter-segment transactions or balances	—	—	864,861	(864,861)	(78,940,746)	—
Consolidated total	57,092,768	(1,889,261)	(255,301)	265,125	68,272,869	6,907,334

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	
	2011 RM	2010 RM	2011 RM	2010 RM
Malaysia	40,887,382	5 7,092,768	32,249,678	31,333,301
Brunei	312,488	—	211,797	291,617
Indonesia	2,209,052	—	1,224,206	—
	43,408,922	5 7,092,768	33,685,681	31,624,918

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.

Notes to the Financial Statements

39. Supplementary Information – Breakdown of Retained Earnings Into Realised And Unrealised

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 30 June 2011, into realised and unrealised profits, pursuant to directive, is as follows:

	Group	Company
	RM	**RM**
As at 30 June 2011		
Total accumulated losses		
- Realised	27,901,803	31,743,746
- Unrealised	-	-
	27,901,803	31,743,746
Total share of accumulated losses from associated companies:	-	-
- Realised	-	-
Less: Consolidated adjustments	27,901,803	31,743,746
Total retained earnings as per financial statements		

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

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Statistics on Shareholdings

Statistic On Shareholdings

Statement On Shareholdings

Authorised Capital	:	RM100,000,000
Issued And Paid Up Capital	:	RM60,000,000
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	:	1,703

Analysis of shareholdings

A. Distribution of Shareholdings (as at 30 September 2011)

Size of Shareholdings	Shareholders	Shareholdings	%
Less than 100	17	546	0.00
100–1,000	1,125	1,105,800	1.84
1,001–10,000	427	1,775,850	2.96
10,001–100,000	110	3,519,032	5.87
100,001 to less than 5% of issued shares	20	15,994,769	26.66
5% and above of issued shares	4	37,604,003	62.67
Total	1,703	60,000,000	100.00

B. List of Thirty (30) Largest Shareholders (as at 30 September 2011)

	Name	No. of Shares held	%
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	Datuk Mohd Shu'aib bin Hj Ishak	1,421,428	2.37
9	Rizuwan bin Mohd Murad	1,300,428	2.17
10	Kauthar General Services Sdn Bhd	563,500	0.94
11	Mazlifah Binti Abdullah	548,800	0.91
12	Power Protection (M) Sdn Bhd	546,000	0.91
13	OSK Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Teaw Kee	418,500	0.70
14	Mohd Salleh bin Lamsah	300,028	0.50
15	Fazlan & Amal Sdn Bhd	289,600	0.48
16	Ahmad Yasri bin Mohd Hashim @ Mohd Hassan	242,385	0.40
17	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Shiraz bin Shahidan (SHI0075C)	186,000	0.31

B. List of Thirty (30) Largest Shareholders (as at 30 September 2011)

Name	No. of Shares held	%
18 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Idris bin Abdullah @ Das Murthy	149,400	0.25
19 Chiam Yoke Kee	130,000	0.22
20 TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Teaw Kee	107,700	0.18
21 Ahmad Bin Bachok	100,000	0.17
22 Rohana Binti Laksamana	100,000	0.17
23 Saujana Paradigma Sdn Bhd	100,000	0.17
24 Renfield Investment Limited	100,000	0.17
25 Koperasi Kastam Malaysia Berhad	100,000	0.17
26 Normah Binti Ali Affandi	92,932	0.15
27 HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Peng Jin	81,000	0.14
28 Tan Gaik Suan	79,000	0.13
29 Teh Teaw Kee	76,400	0.13
30 Kang Swee Huat	75,700	0.13

C. Substantial Shareholders (as at 30 September 2011)
(as shown in the Register of Substantial Shareholders)

Name of Substantial Shareholders		No. of Shares held	%	Notes
1. Tan Sri Dato’ Tajudin Ramli	(Direct)	2	0.00	
	(Indirect)	15,769,440	27.23	
	Total	15,769,442	27.23	(a)
2. Kauthar Sdn Bhd		15,769,440	27.23	
3. Valiant Chapter Sdn Bhd		14,168,765	24.46	
4. Unique Pyramid Sdn Bhd		4,590,136	7.92	

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.
* The computation of the above percentage (%) excludes the Treasury Shares of 2,094,800 held by the Company.

D. Directors' Shareholding (as at 30 September 2011)
(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	853,100(c)	1.47

Notes:
(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 and Kauthar General Services Sdn Bhd by virtue of his 25% and 50% interest therein respectively.
* 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 2011)

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

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Group Properties

Group Properties

Location	Description/ Current Use of Building	Tenure/ Tenure Period	Date of Valuation	Approximate Age of Building (years)	Building Area/ Land Area (sq.meters)	Net Book Value (RM'000)
HS (D) 7111, Lot No. PT 12138, **HS (D) 7112, Lot No. PT 12139 and** **HS (D) 7113, Lot No. PT 12140 Mukim of Dengkil, District of Sepang, Selangor**	Vacant land	Freehold	28 Mar. 2007	—	18,704.60	8,645
HS (D) 50310, Lot No. PT 1686 Mukim of Ampang, District and State of Wilayah Persekutuan. **(No. 33, Jalan 2/76C Desa Pandan 55100 Kuala Lumpur)**	Terrace Shophouse • Own Occupation (Office space) • Rented Out (Restaurant)	Leasehold/ 99 years expiring on 06.07.2085.	27 Mar. 2007	17	1,002.00/ 334.18	2,609
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 • Occupation (Office space)	Leasehold/ 99 years expiring on 06.07.2085.	27 Mar. 2007	17	852.02/ 284.18	2,330
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)	Leasehol / 99 years expiring on 07.07.2085.	27 Mar. 2007	16	700.11/ 289.82	2,084
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	16	443.52/ 163.50	1,160

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) 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	16	443.52/ 163.50	1,160
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	17	474.43/ 153.28	1,095
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	17	474.43/ 153.28	1,086
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	18	153.29/ —	368

Proxy Form EDARAN BERHAD

Number of shares held :
CDS Account No :

I/We ______________________________ NRIC / Company No. ______________________
of ____
being a member / members of EDARAN BERHAD, hereby appoint ______________________
______________________________ NRIC No. ______________________
of ____
or in his absence, ____
______________________________ NRIC No. ______________________
of ____
as my/our proxy to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of EDARAN BERHAD to be held on Thursday, 1 December 2011 at Junior Ballroom, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

	Resolutions	For	Against
Resolution 1	To receive and adopt the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2011 together with the Directors' and Auditors' Reports thereon.		
Resolution 2	To re-elect a Director retiring under Article 101 of the Company's Articles of Association: • Tan Sri Dato' Tajudin Ramli		
Resolution 3	To re-elect a Director retiring under Article 101 of the Company's Articles of Association: • Dato' Abdul Malek Ahmad Shazili		
Resolution 4	To re-elect a Director retiring under Article 101 of the Company's Articles of Association: • Dato' Hj Abdul Hamid Mustapha		
Resolution 5	To approve the payment of the Directors' fee for the financial year ended 30 June 2011.		
Resolution 6	To re-appoint Messrs. McMillan Woods Mea as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Resolution 7	To give authority to the Directors to issue shares under Section 132D of the Companies Act, 1965.		

(Please indicate with an "X" in the spaces provided how you wish to cast your votes. If you do not do so, the Proxy will vote or abstain from voting at his/her discretion).

Signed this ____________________ day of ____________________ 2011

____
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 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.

Fold this flap for sealing

Then fold here

AFFIX STAMP

The Company Secretary
EDARAN BERHAD
N0. 33-1, Jalan 2/76C
Desa Pandan
55100 Kuala Lumpur

First fold here

edaran

Business Office:
No.32 Jalan 1/76C, Desa Pandan, 55100 Kuala Lumpur, Malaysia
Tel: +603 9206 7200 Fax: +603 9284 3531

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