

# annual report 2012 CUSEC

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### annual report 2012 notice of annual general meeting



### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of Edaran Berhad will be held on Thursday, 29 November 2012 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

- 1. To receive and adopt the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2012 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:
  - i . Datuk Mohd Shu'aib Ishak Resolution 2
  - ii. Encik Fazlan Azri Tajudin Resolution 3
- 3. To re-elect the following Directors retiring under Article 102 of the Company's Articles of Association, and who, being eligible, offer themselves for re-election:
  - i . Dato' Kamal Mohd Ali Resolution 4
  - ii. Encik Azlan Mohd Agel Resolution 5
- To re-appoint Datuk Emam Mohd Haniff Emam Mohd Hussain who retires pursuant to Section 129(6) of the Companies
   Resolution 6

   Act, 1965 to hold office until the next Annual General Meeting.
- 5. To approve the payment of the Directors' fee for the financial year ended 30 June 2012. Resolution 7
- 6. To re-appoint Messrs. McMillan Woods Mea as Auditors of the Company and to authorise the Directors to fix Resolution 8 their remuneration.

### **B. SPECIAL BUSINESS**

7. To consider and, if thought fit, to pass the following Ordinary Resolution, with or without modifications: Resolution 9

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

### **C. ANY OTHER ORDINARY BUSINESS**

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

By Order of the Board

Datin Rizana Mohamad Daud (LS 08993) Company Secretary

Asbanizam Abu Bakar (LS 06958) Assistant Company Secretary

Kuala Lumpur 2 November 2012



### NOTICE OF ANNUAL GENERAL MEETING

### **EXPLANATORY NOTE ON ITEM 7 OF THE AGENDA**

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

Ordinary Resolution 9 (under item 7 above) is a renewal of the mandate obtained at the last Annual General Meeting which was not utilised during the financial year.

Ordinary Resolution 9, 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 without limitation. 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. Only members registered in the Record of Depositors on or before 5.00 p.m. as at 26 November 2012 shall be eligible to attend the meeting or appoint a proxy to attend and/or vote on such depositor's behalf.
- 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 2012 and the attendance of the Directors thereat:-

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

Date	Time	Venue	
24 Aug 2011	10.00 a.m.		
19 Oct 2011	2.30 p.m.	2 12	
24 Nov 2011	10.00 a.m.	Board Room, No. 2, 4 & 6 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur.	
29 Feb 2012	10.00 a.m.	110. 2, 1 d 0 calair 1/100, 200d 1 ariaari, 00 100 radia Euripai.	
24 May 2012	2.30 p.m.		

### 2. Directors' attendance at Board meetings

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

Directors	Appointment	Attendance
Tan Sri Dato' Tajudin Ramli	01 Jun 1992	5/5
Datuk Emam Mohd Haniff Emam Mohd Hussain	30 Oct 2001	5/5
Dato' Abdul Halim Abdullah	15 Dec 2000	5/5
Dato' Abdul Malek Ahmad Shazili	06 Nov 2003	5/5
Dato' Hj Abdul Hamid Mustapha	06 Nov 2003	5/5
Dato' Lim Kheng Yew	12 Dec 2007	5/5
Dato' Kamal Mohd Ali	5 Apr 2012	1/1
Encik Azlan Mohd Agel	5 Apr 2012	1/1
Dato' Bistamam Ramli	15 Dec 2000	5/5
Datuk Mohd Shu 'aib Ishak	15 Dec 2000	5/5
Encik Fazlan Azri Tajudin	23 May 2006	5/5

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

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

### DATUK EMAM MOHD HANIFF EMAM MOHD HUSSAIN

Senior Independent, Non-Executive Director

### DATUK MOHD SHU'AIB ISHAK

Executive Director

### **ENCIK FAZLAN AZRI TAJUDIN**

Executive Director

### **DATO' KAMAL MOHD ALI**

Non-Independent, Non-Executive Director

### **ENCIK AZLAN MOHD AGEL**

Non-Independent, Non-Executive Director

The profiles of the Directors who are standing for re-election are set out on pages 13 to 16 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' Kamal Mohd Ali Non-Independent Non-Executive Director

**Azlan Mohd Agel** *Non-Independent Non-Executive Director* 

Dato' Bistamam Ramli Managing Director

Datuk Mohd Shu'aib Ishak Executive Director

Fazlan Azri Tajudin Executive Director **AUDIT COMMITTEE** 

Dato' Abdul Halim Abdullah Chairman Independent Non-Executive Director

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

Dato' Lim Kheng Yew Independent Non-Executive Director

Dato' Abdul Malek Ahmad Shazili Independent Non-Executive Director

**Company Secretary** 

Datin Rizana Mohamad Daud (LS 08993)

**Assistant Company Secretary** 

Asbanizam Abu Bakar (LS 06958)

Registered Office:

No. 33-1, Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur Tel: 03-9206 7381 Fax: 03-9283 0192

**Business Office** 

No. 32, Jalan 1/76C, Desa Pandan, 55100 Kuala Lumpur Tel: 03-9206 7200 Fax: 03-9284 3531

Auditors

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 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

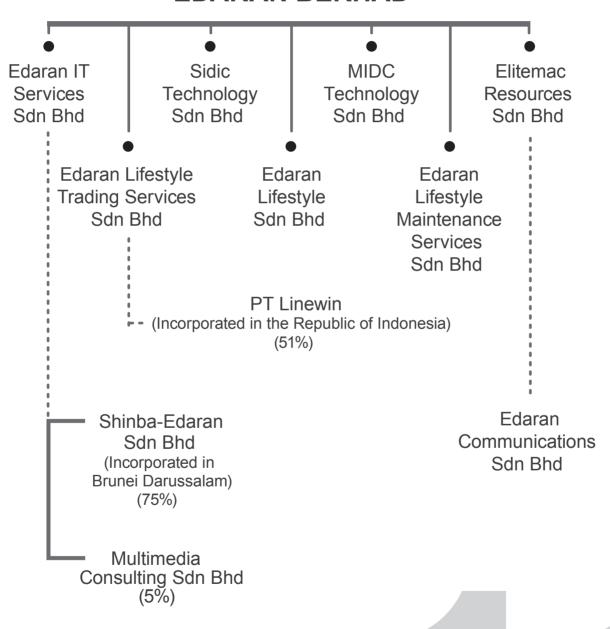
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## corporate structure



### CORPORATE STRUCTURE

### **EDARAN BERHAD**



Note: Unless stated, shareholding is 100%

# profile of the board of directors



### 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 66, he graduated from the University of Malaya with a Bachelor of Economics degree and has been involved in various industries, the more significant of which are telecommunications, transportation and tourism.

### DATUK EMAM MOHD HANIFF EMAM MOHD HUSSAIN

Senior Independent Non-Executive Director

Datuk Emam Mohd Haniff Emam Mohd Hussain, a Malaysian, aged 70 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.

### 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 66, Dato' Abdul Halim holds a Bachelor of Arts (Hons) degree from the University of Malaya. He has served in various government departments and his last position was the State Secretary of Penang (1992-1994). In 1994, after his retirement from government service, Dato' Abdul Halim was appointed Executive Director of Technology Resources Properties Sdn Bhd until 8 June 2000.

### DATO' ABDUL MALEK AHMAD SHAZILI

Independent Non-Executive Director

Dato' Abdul Malek Ahmad Shazili, a Malaysian, aged 65, was appointed a Director of EDARAN Berhad on 6 November 2003 and was subsequently appointed Chairman of the Risk Management Committee on 27 May 2004. On 26 November 2008, Dato' Abdul Malek was appointed a member of the Audit Committee. He holds a Bachelor of Arts (Hons) degree from the University of Malaya and a Master's Degree in Public Administration from The American University, Washington D.C. Dato' Abdul Malek has served Pos Malaysia Berhad in various capacities since 1972 until his retirement as its Chief Executive Officer in 2002.

### DATO' HJ ABDUL HAMID MUSTAPHA

Independent Non-Executive Director

Dato' Hj Abdul Hamid Mustapha, a Malaysian, aged 66, was appointed to the Board of EDARAN Berhad on 6 November 2003 and was subsequently appointed a member of the Remuneration Committee and Nominating Committee on 27 May 2004 and 28 February 2008 respectively. He was appointed Chairman of the Nominating Committee on 26 November 2008. He graduated with a Bachelor of Arts degree from the University of Malaya in 1971. Dato' Hj Abdul Hamid has served the Royal Malaysian Police Force in various capacities since 1971 until his retirement as the Commissioner of Police, Director of Public Order and Internal Security in 2002.

### DATO' LIM KHENG YEW

Independent Non-Executive Director

Dato' Lim Kheng Yew, aged 61, a Fellow of the Institute of Chartered Accountants in England and Wales, was appointed to the Board of EDARAN Berhad on 12 December 2007 and appointed a member of the Audit Committee on the same date. He was subsequently appointed a member of the Nominating Committee and Remuneration Committee on 28 February 2008. He started his career with international accounting firms in London and Kuala Lumpur. Presently, Dato' Lim is also a Director of KYM Holdings Berhad and TSM Global Berhad.

### DATO' KAMAL MOHD ALI

Non-Independent Non-Executive Director

Dato' Kamal Mohd Ali, aged 52, was appointed to the Board of EDARAN on 5 April 2012. Dato' Kamal joined Prokhas in April 2008. He began his career as a Credit Officer at Bank Bumiputra Malaysia Berhad and thereafter held various key positions in the Bank for the following 22 years, including as the General Manager for BBMB Singapore and BCB Labuan Offshore (after the bank merged to form Bumiputra Commerce Bank Berhad). He has also served as the Group Head for Emerging Corporate II, Corporate Banking Division, managing a portfolio in excess of USD550 million comprising public listed companies engaged in manufacturing, services, oil & gas, construction, plantation and stock broking activities. For his achievements, Dato' Kamal was awarded the Superior Performance Employee by the Asian Institute of Management, Manila in 1994. In April 2005, he was appointed as the General Manager, Corporate & Institutional Banking Division, Bank Islam Malaysia Berhad (BIMB) and a Management Member of BIMB Holdings Berhad. From May 2006, Dato' Kamal was tapped to lead the Export-Import Bank of Malaysia Berhad as the Managing Director/Chief Executive Officer, responsible for the overall operations, management and planning of the Bank. Dato' Kamal graduated from Universiti Malaya with a Bachelor in Economics (Hons) in 1983 and later obtained his Diploma in Banking & Finance from Institut Bank-Bank Malaysia (IBBM) in 1995.Dato' Kamal is presently a Senior General Manager in Prokhas.

### **AZLAN MOHD AGEL**

Non-Independent Non-Executive Director

Azlan Mohd Agel, aged 47, was appointed to the Board of EDARAN on 5 April 2012. He holds a B.Sc in Computer Science and a B.A in Economics from New Mexico State University, USA. He is a Deputy General Manager in Prokhas, overseeing the Technology Solutions Divisions. Azlan brings to the EDARAN Board his vast and extensive experience in ICT solutions development, planning, implementation and management especially in the areas of IT outsourcing and shared services, SAP implementation, systems integration and development and IT consultancy.

### 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 50, he is a Fellow Member of the Chartered Association of Certified Accountants. Dato' Bistamam was previously attached to Celcom (Malaysia) Berhad, Technology Resources Industries Berhad, Bank Negara Malaysia and Ernst & Young.

### DATUK MOHD SHU'AIB ISHAK

Executive Director

Datuk Mohd Shu'aib Ishak, aged 53, was appointed the Executive Director of EDARAN Berhad on 15 December 2000. Datuk Mohd Shu'aib, a Malaysian, obtained his degree in Electrical Engineering from the University of Technology Malaysia. He has more than 20 years of experience in the telecommunications industry since his employment with Jabatan Telekom Malaysia in 1982. He was attached to Electroscon (M) Sdn Bhd and KYM Industries Sdn Bhd before being appointed the General Manager and Director of Edaran Communications Sdn Bhd on 24 January 1991.

### FAZLAN AZRI TAJUDIN

**Executive Director** 

Fazlan Azri Tajudin, aged 37, was appointed to the Board of EDARAN Berhad on 23 May 2006. He was subsequently appointed the Executive Director of the Company on 28 February 2008. He holds an Engineering degree from Imperial College of Science, Technology and Medicine, London. He sits on several private companies, including Kauthar Sdn Bhd and was previously attached to Celcom (Malaysia) Berhad. He is the son of Tan Sri Dato' Tajudin Ramli.



### message from the chairman

# STAYING FAOCUSED

### CHAIRMAN'S STATEMENT

## Staying Focused

### Valued Shareholders and Partners

Another financial year for EDARAN Berhad has come to a close and as Chairman of the Board, it is customary for me to present you the company's Annual Report for the year ended June 30, 2012.

### Financial Performance

The Group recorded a total revenue of RM49.98 Million for the financial year in review, an increase of 15% from the previous year. Notwithstanding the slight increase in revenue, the Group recorded a loss after tax of RM7.89 Million compared to a loss after tax of RM7.85 Million in the previous year. Although EDARAN has managed to retain key contracts with long term customers, profit margins continue to be driven lower by an increasingly competitive environment. The company's subdued performance is also a result of lower spend on new IT systems and products by customers.

### The Exhilarating IT Environment

THE OVERWHELMING SUCCESS OF THE APPLE I-PAD AND I-PHONE DEVICES COUPLED WITH THE CONVERGENCE OF SMART MOBILE DEVICES TECHNOLOGY WITH COMPUTER TECHNOLOGY HAS OPENED A WHOLE NEW AND EXCITING CHAPTER IN ICT.

EDARAN is keenly aware that the IT sector is attracting more and more entrants because of its promising potential and relatively few barriers to entry into this business sector. The overwhelming success of the Apple I-Pad and I-Phone coupled with the convergence of smart mobile devices technology with computer technology has opened a whole new and exciting chapter and has injected tremendous appeal into the area of ICT for both the consumer and the service provider. In this virtual

world in which we live today, one is connected with whatever and whoever one needs to be, wherever one may be. Whether it is to access the email, browse the net, catch up on real time news, chat with family, friends or the customer or whatever, the possibilities are quite limitless.

The larger ICT and more specific IT environment is becoming so much more exhilarating today that it is not surprising to see many business aspirants, without so much as adequate resources, proven expertise or experience in the industry, jump onto the bandwagon hoping to capitalise on the promising possibilities of the IT industry. As the environment becomes flooded by all levels. categories and standards of IT business aspirants, the challenge of keeping operational overheads and price of goods and services low enough to attract customers and to sustain business operations, is becoming more and more critical for full fledged IT companies like EDARAN. Notwithstanding the unpredictable IT business landscape and the challenges that come with it, EDARAN realises that customers will ultimately seek out quality service providers with proven track records and reliability. To that end, EDARAN will continue to hone its core competencies and leverage upon its firm footing in the Malaysian IT industry and its advantage of being recognised as a serious and committed IT services and systems provider in the country.

### Staying Focused on Quality and Service

The profusion of IT offerings in the market urges EDARAN to up the ante in the direction of customer service. EDARAN is more resolved than ever to take the route of providing quality products and excellent customer service to differentiate itself from the crowd. The company will stay focused and targeted in its marketing efforts, be more selective and practice greater discernment in its business pursuits. Essentially, the company will remain focused on customers who will yield better margins and higher returns on the company's investment.

"EDARAN RECOGNISES THAT THE FORMULA FOR DELIVERING REAL QUALITY STARTS WITHIN THE COMPANY, BEGINNING WITH ITS HUMAN RESOURCES, AND THEN, ITS PROCESSES AND SYSTEMS."

EDARAN also recognises that the formula for delivering real quality starts within the company, beginning with its human resources, and then, its processes and systems. To that end, efforts have been initiated to instil into the employees, both its technical support staff and its customer interfacing staff, a deeper commitment to ensuring quality along the entire value chain of its services. Innovating better efficiencies in systems and procedures as well as practising prudence to save cost for customers and thus deliver higher value for money are some of the priorities in the company's revitalised approach.

### Corporate Social Responsibility

" ...BUILDING INDIVIDUALS AND ADDING TO THEIR PROFESSIONAL AND PERSONAL VALUE SO AS TO ADD TO THE LARGER VALUE OF SOCIETY..."

EDARAN remains committed to its social responsibility of building individuals and adding to their professional and personal value so as to add to the larger value of society. Though the company is made up of individuals trained and equipped with knowledge in the IT field, its true potential lies in its collective strength. As a collective entity, these individuals are a powerful force of knowledge and expertise capable of creating waves of innovation and progress that will directly or indirectly benefit societies across a borderless world.

In an environment which depends increasingly on efficient and effective IT solutions and possibilities, EDARAN recognises that the most critical link in the entire value chain of IT possibilities is the knowledgeable individual who turns those possibilities into realities. EDARAN will continue its efforts to train and equip individuals with skills and talents needed to strengthen the value chain of the industry. Unless IT professionals and technicians are kept knowledgeable of the latest developments and technology in IT, they shall not be able to effectively improve the environment and life of their customers. Unless these individuals are in touch with the needs of their customers, they shall not effectively introduce technology and solutions that are available in the market. The dynamism of ideas and software applications will continue to drive market demand and the market itself needs to be educated and informed about the benefits and new possibilities that such dynamic ideas bring to society. Indeed, the biggest hardware and software developers in the world depend on people in respective local IT industries who have a keen ear to the ground, to promote their innovations and complete the service chain. EDARAN believes that customers ultimately win as a result of an organisation's competency and willingness to share their knowledge, expertise and professional experience. EDARAN recognises that progressive ICT that works for people, is after all, a convergence of technology and ideas. Leveraging on its close association with established names like Microsoft, Dell and HP, to name a few, EDARAN will continue to integrate the best of all worlds for the benefit of its customers.

"CUSTOMERS ULTIMATELY WIN AS A RESULT OF AN ORGANISATION'S COMPETENCY AND WILLINGNESS TO SHARE THEIR KNOWLEDGE, EXPERTISE AND PROFESSIONAL EXPERIENCE."

EDARAN will play its role not only as an enabler of technology but also as educator on the benefits of new technology and their benefits.

In yet another area of business, EDARAN has the opportunity to practise work ethics that go towards preserving the environment while pursuing progress for communities. Its subsidiary operations in Sumatra, PT Linewin, whose principal activity revolves around the manufacturing and marketing of timber based products, adheres to strict conservatory principles of reduce, reuse and recycle. The company, ever mindful of the overall negative effects of bad practices on the environment, adopts responsible measures in their manufacturing processes from the point of harvesting the trees to managing waste products. As an example, the company prefers to convert residue timber to usable products, although the latter requires more resources and time, than to conveniently dispose of them by burning them in the forest. The latter action would contribute to air pollution.

### Prospects and Outlook

"THE COMPANY CONTINUES TO CAST ITS SIGHT ON SMALL MEDIUM ENTERPRISES WHO ARE KEEN TO INNOVATE AND WHO RECOGNISE THAT AN EFFICIENT IT INFRASTRUCTURE WITHIN THEIR SET UP WILL BE AN EFFECTIVE CATALYST FOR GROWTH."

Smart apps and innovative software will continue to impact the ICT market in the country. Smart devices will continue to drive the rise of mobile commerce. Predictably, the introduction of smart mobile devices coupled

with the bundling of data plans by service providers will see an increase in the use of smart phones around the country. The ensuing rise of ICT prominence in traditional sectors will, just as predictably, see businesses and companies spending more on IT to reach a wider market and engage their customers.

EDARAN is encouraged by such prospects for the ICT industry. IT spending will also be boosted by the government's continued efforts to raise broadband penetration level. It is anticipated that companies will turn towards outsourcing initiatives to address the increasing IT complexities and need for more system infrastructure software to increase their operational and cost efficiencies.

EDARAN recognises that customer centricity will lead small and medium businesses to focus on technologies that heighten customer focus and customer engagement. In light of these trends and new focuses, EDARAN continues to leverage on its established footing in the Malaysian IT environment to increase its involvement in the area of new digital technologies. With a sound track record in the industry, years of expertise and experience and keen knowledge of IT technologies, EDARAN sees an opportunity in helping organisations and businesses capitalise on the benefits and advantages of new digital technologies.

The company continues to cast its sight on small medium enterprises who are keen to innovate and who recognise that an efficient IT infrastructure within their set up will be an effective catalyst for growth.

In its non-IT related activities, the picture remains encouraging. The manufacturing and marketing of timber based products through P.T Linewin, its subsidiary in Indonesia, continue to show promising growth. P.T Linewin believes that the immediate markets in Asia and the Far East will continue to boom and demand for various types of timber based products will accordingly grow.

Overall, the company remains optimistic about its future performance despite the setbacks it faced over the financial year in review. EDARAN believes that with renewed focus, it will yet be able to optimise on the opportunities that avail themselves in this dynamic though extremely competitive industry.

### Appreciation

In closing I wish to put on record my appreciation to all our valued customers, our business partners and financiers who have continued to give us their support and their confidence.

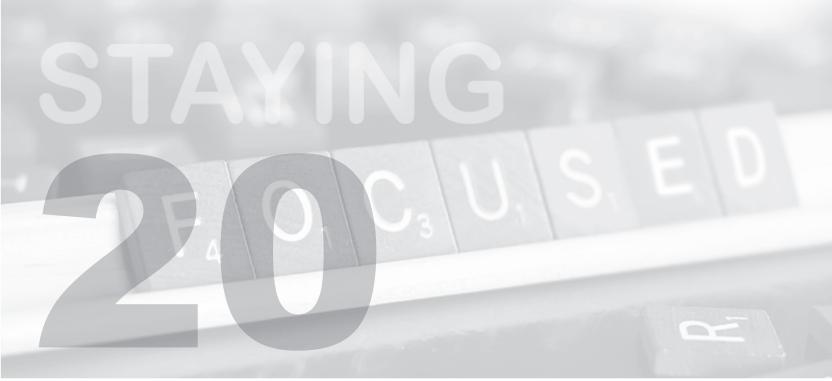
I take this opportunity to welcome aboard the new members of the Board. With their level of professionalism and experience that they bring, I know they will add substantial strength to the Board. To the rest of the members of the Board, may I express once again my gratitude for your contribution and guidance.

To the members of the Management and the Staff, my sincere thanks to each and everyone of you for the continued dedication and commitment. Your resilience is something that gives this company the resolve to strive on despite all odds.

Yours sincerely

an 2

Tajudin Ramli



# operations review



### **OPERATIONS REVIEW**

### **ABOUT THE GROUP**

EDARAN is a full fledged IT solutions and services provider and it remains committed to its mission to help create a more progressive society through the capabilities of IT and new digital technology.

Over the last two decades and more, EDARAN has carved itself a respectable place in the Malaysian and regional ICT industry, keeping itself abreast with and ahead of the technology and knowledge curve in an industry that continues to evolve. Established in the late 80's, 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. Today EDARAN is a full fledged IT solutions and services provider and it remains committed to 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 (Jabatan Kastam Diraja Malaysia [JKDM]) Customs Information System [Sistem Maklumat Kastam (SMK)]. Till this present day the SMK serves as JKDM'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 witnessed several milestones of progress in the ICT industry from the time of bulky mainframes to the era of microprocessors and microcomputers and forward to the present era of digital technology and smart platforms. EDARAN built up its strengths on its past achievements helping organisations and businesses equip themselves with effective IT facilities and solutions that worked for them. 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 main business activity of the Group. The Group's three core 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 Diraja Malaysia, UiTM, the Ministry of Health and Pembangunan Sumber Manusia Berhad (Human Resources Development Fund).

### **OPERATIONS REVIEW**

EDARAN's reputation of being a reliable IT systems and solutions provider has enabled it to make new inroads into the public sector.

EDARAN's reputation of being a reliable IT systems and solutions provider has enabled it to make new inroads into the public sector. Some of these include Bahagian Hal Ehwal Undang-Undang for whom EDARAN has involved itself in their Exhibits Presentation System. EDARAN is also working with the Malaysian Ministry of Defense to set up a digital library system.

Over the year in review, EDARAN continued to work with Jabatan Kastam Diraja Malaysia (JKDM) to upgrade their facilities. The latest initiative with JKDM involved a new non-intrusion baggage scanning system. EDARAN continues to work with JKDM on the maintenance of the organisation's IT hardware & peripherals and the application its Sistem Maklumat Kastam.

In Brunei Darussalam, EDARAN is working with the country's Ministry of Religious Affair to implement a Haj Management System. Moving forward, the increasing dependence of the world on broadband internet is a signal for the company's greater involvement in innovative IT applications. Increasing bandwidth, more robust infrastructure, faster connectivity and lower costs are fuelling demand for new communications technology and smart apps. . More and more, businesses are relying on the internet to improve their market reach while consumers rely on it for their shopping, entertainment and personal communication. Lifestyle preferences are changing

The company remains alert to the opportunities brought in by smart technology, including the need for more computing and networking resources, software applications and content development.

and E-commerce is fast becoming the preferred mode of business transaction. Consumers are gravitating towards smart

phone apps and other smart applications to gain instant access to data and information and hence the fast mover advantage.

EDARAN stands ready and poised to capitalise on the preferences and needs of consumers and organisations by offering its expertise and services in improving the IT environment of the individual and business entities. EDARAN remains alert to the opportunities brought in by smart technology, including the need for more computing and networking resources, software applications and content development.

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 quest for more sophisticated and affluent lifestyles is being driven by increasingly easy access to information and greater exposure to new trends.

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.

### **OPERATIONS REVIEW**

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.

P.T Linewin

EDARAN has strategically created its geographical presence in Indonesia and moved into the regional market, placing the company in a better position to capitalise on new business opportunities that may arise in the region.

On the trading front, the Division has been active in the area of supplying raw timber material the middle of 2010, through its subsidiary P.T Linewin, a company domiciled in Sumatera, Indonesia. On June 2011, this business activity took on a stronger corporate presence when Edaran Lifestyle Trading Services acquired a controlling 51% of PT Linewin. PT Linewin has since, become a subsidiary of the EDARAN Group. Through this company, Edaran Lifestyle Trading Services extends its involvement in the timber-based business. It has moved successfully into the area of manufacturing and marketing of timber based products such as laminated boards and blocks. P.T Linewin may at some further stage consider taking its activities downstream to the manufacture of household furniture and accessories.

This new business development within Edaran Lifestyle Trading Services is a strategic move to diversify and enhance the Group's revenue and earnings. Initial efforts have been encouraging and contribution to the Group's revenue is expected to grow.

By becoming the majority shareholder of P.T Linewin, EDARAN has strategically created its geographical presence in Indonesia and moved into the regional market, placing the company in a better position to capitalise on new business opportunities that may arise in the region.

On another front, Edaran Lifestyle Trading Services is seeking to penetrate the hospitality industry to offer its services in the procurement of lifestyle accessories for high end hotels and resorts.

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 that affect lifestyles.

# financial highlights



### FINANCIAL HIGHLIGHTS as at 30 June 2012

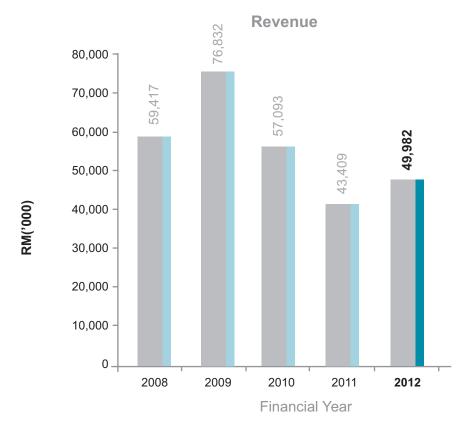
### **Five Years Group Financial Highlights**

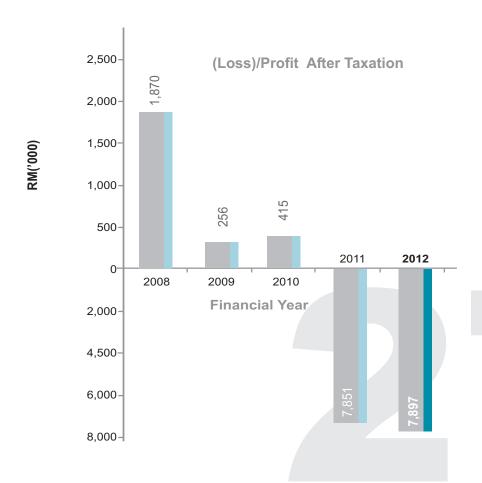
	2012 (RM'000)	2011 (RM'000)	2010 (RM'000)	2009 (RM'000)	2008 (RM'000)
INCOME STATEMENT					
REVENUE	49,982	43,409	57,093	76,832	59,417
Profit before taxation	(7,924)	(8,501)	54	103	701
Taxation	27	200	361	153	1,169
Profit after taxation	(7,897)	(7,851)	415	256	1,870
Net Earnings per share (sen)	(11.61)	(13.18)	0.69	0.43	3.21
BALANCE SHEET					
Shareholders' Fund	38,047	40,219	48,305	48,394	48,505
Net Current Assets	10,615	7,581	17,852	23,667	25,378
Total Assets	60,108	56,184	68,273	77,110	69,468
Long Term Debts	2,797	1,279	1,172	1,967	1,967
Net Assets per share (sen)	0.63	0.67	0.81	0.81	0.81



### FINANCIAL HIGHLIGHTS

as at 30 June 2012

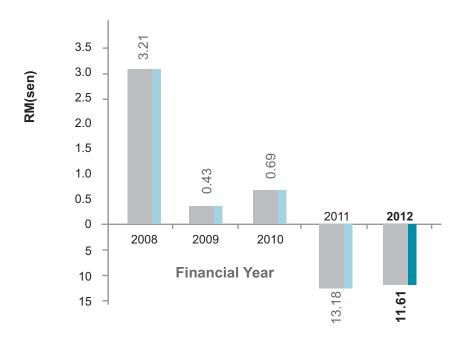




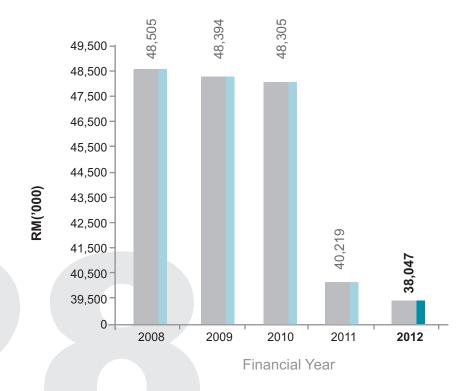
### FINANCIAL HIGHLIGHTS

as at 30 June 2012

### **Net Earning per share (sen)**



### Shareholder's Fund



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 eleven members, three of whom are Executive Directors. There are eight 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 2012, the Board held five meetings. All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the Bursa Securities Main Market Listing Requirements. The details of the Directors' attendance are laid out in the Statement Accompanying Notice of Annual General Meeting.

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

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

### **Appointments and Re-election of Directors**

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

Chairman : Dato' Hj Abdul Hamid Mustapha

Members : Datuk Emam Mohd Haniff

Emam Mohd Hussain

Dato' Abdul Halim Abdullah Dato' Lim Kheng Yew

### STATEMENT ON CORPORATE GOVERNANCE

The Nominating Committee's responsibilities are as follows:

- Recommend to the Board, technically competent persons of integrity with a strong sense of professionalism and who practise the highest standards for appointment as members of the Board of Directors, Managing Director and members of Board Committees.
- Review the Board structure and balance of appointments between Executive and Non-Executive Directors.
- Review the adequacy of the Committee structures of the Audit, Nominating, Remuneration and other Board Committees.
- Review, on an annual basis, the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.
- Carry out the process endorsed by the Board for assessing the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.

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

### **Directors' Training**

All Directors have attended the Mandatory Accreditation Programme (MAP) and the Continuous Education Programme (CEP) prescribed by the Bursa Malaysia Securities Berhad. The Directors continue to attend relevant training programmes to keep them abreast with the development and to equip themselves with the knowledge to effectively discharge their duties.

In light of the changing dynamics of the IT industry, the Board of Directors attended a series of mind-sharing sessions and discussions that were primarily organised to keep them abreast with the challenges of an increasingly competitive environment. Among the objectives, it was felt that it is imperative that the Board recognises the burgeoning new entrants into the market as well as have a good knowledge of the types of services and products offered by these new entrants. Regardless if those services and products represented direct competition or not, to EDARAN, they will, in one way or another impact the overall performance of the company. The sessions were critical in that it enlightened the Board on some of the most significant aspects and trends of the business today, and placed the Board in better stead to guide and advise the Group on the way forward.

Arising from the mind-sharing sessions, the Board conceded that EDARAN should stay firmly focused on its key strengths and core competencies and continue to deliver high standards and superior quality of service. Essentially, the Board became more resolute that the way forward for EDARAN is for it to remain focused on seeking out and serving customers who ultimately seek reliability, professionalism and quality.

### **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

The terms of reference of the Risk Management Committee include:

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

### STATEMENT ON CORPORATE GOVERNANCE

### 2. DIRECTORS' REMUNERATION

### Level and Make-Up of Remuneration

The Executive Directors' remuneration consists of salary, allowance, bonus and other customary benefits as deemed appropriate. The Non-Executive Directors' remuneration consists of annual flat fees as a Board member and allowance for attendance of meetings. The Directors' remuneration is disclosed in Note 28 of the Financial Statements.

The Remuneration Committee carries out reviews whereupon recommendations are submitted to the Board on the level and make-up of remuneration. This is to ensure that the remuneration policy remains competitive and in tandem with the corporate objectives, culture and strategy. The Remuneration Committee is mainly made up of Non-Executive Directors whose members are as follows:

Chairman : Dato' Abdul Halim Abdullah

Members : Tan Sri Dato' Tajudin Ramli

Dato' Hj Abdul Hamid Mustapha

Dato' Lim Kheng Yew Dato' Bistamam Ramli

The responsibilities of the Remuneration Committee are as follows:

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

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

### 3. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

### **Investor Relations**

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group. Timely releases of financial results on a quarterly basis provide

the shareholders with an overview of the Group's performance and operations. In addition, information is also available through the various announcements made during the year and through circulars, if necessary.

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

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

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

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

### 4. ACCOUNTABILITY AND AUDIT

### **Financial Reporting**

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

### **Internal Controls**

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

### **Relationship with External Auditors**

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

# audit committee report



### **AUDIT COMMITTEE REPORT**

### 1. COMPOSITION

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

### 2. SECRETARY

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

### 3. ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR

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

Meeting No.	Date	Time
03-11	23 August 2011	10.00 a.m
04-11	19 October 2011	10.00 a.m
05-11	23 November 2011	10.00 a.m
01-12	28 February 2012	10.00 a.m
02-12	24 May 2012	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	3 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	5 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 2011.
- Reviewed the draft announcements to the Bursa Malaysia Securities Berhad on the quarterly report of the Group for the financial quarters ended 30 June 2011, 30 September 2011, 31 December 2011 and 31 March 2012.

#### **AUDIT COMMITTEE REPORT**

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

#### 4. TERMS OF REFERENCE

#### **Quorum of Meeting**

The majority of members present must be Independent Directors.

#### **Frequency of Meeting**

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

#### AUDIT COMMITTEE REPORT

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

#### **Review of the Audit Committee**

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

#### **Retirement and Resignation**

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

#### 5. INTERNAL AUDIT FUNCTION

The Group has established an in-house Internal Audit to assist the Audit Committee to oversee that the Management has in place a sound risk management, internal controls and governance systems. The costs incurred for maintaining the Internal Audit function for the financial year 2012 was approximately RM78,000.

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 2012, the Internal Audit carried out reviews in accordance with the annual audit plan. The annual audit plan had taken into cognizance, the Group's objectives and business strategies. The Internal Audit also conducts ad hoc assignments and special reviews as instructed by the Audit Committee as and when necessary. Recommendations for improvements were put forward for implementation by the Management.

# statement on internal control



## 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 2012 and reported to the Board that the statement is consistent with the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

additional compliance statement

STAYING

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FAO(C3)U)

## ADDITIONAL COMPLIANCE STATEMENT

The following information is provided incompliance with paragraph 9.25 of Main Market Listing Requirements.

1. Directors (as at 28 September 2012)

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 13 to 16 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 7 of this Annual Report.

3. Offence (as at 28 September 2012)

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 28 September 2012)

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 transaction 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 28 September 2012) During the financial year, the Group did not sponsor any ADR or GDR programme.
- 8. Imposition of Sanctions and/or Penalties (as at 28 September 2012)

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

9. Non-Audit Fees

There were no amounts of non-audit fees paid to the external auditors by the Group during the financial year ended 30 June 2012.

10. Variation in Results

There were 0.3% variances between the audited result and the unaudited result of the Group for the financial year ended 30 June 2012. The variances are mainly attributed to the deferred tax income and under provision of audit fee. The details are explained on page 78 and 79 of this Annual Report.

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.



# ADDITIONAL COMPLIANCE STATEMENT

#### 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. List of Properties

The list of properties is stated on pages 118 to 119 of this Annual Report.

15. Related Party Transactions - Para 10.09 of the Bursa Securities Listing Requirements Details of the transactions with related parties undertaken by the Group during the period under review are disclosed in the Listing Compliance Status laid out in this statement and Note 31 of the Financial Statements.

#### **Listing Compliance Status**

#### A. Shareholding

MONTH	NO. OF SHARES	% OF PAID-UP CAPITAL
MALAYSIAN		
Bumiputera	51,351,000	85.58
Non-Bumiputera	8,494,962	14.16
Total Malaysian	59,845,962	99.74
FOREIGN	154,038	0.26
TOTAL	60,000,000	100.00

#### B. Related Party Transactions

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

#### C. Overdue Debts

As at 30 June 2012, the amount owing from net trade debtors is approximately RM5.31 million (RM6.33 million FY 2011) of which the amount over the 365 days period is approximately RM35 thousand (RM2.11 million FY 2011).



statement of directors' responsibility in relation to the financial statements

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

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

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

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

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

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and Bursa Securities Main Market Listing Requirements.

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



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The Directors of EDARAN BERHAD are pleased to submit their report and the audited financial statements of the Group and of the Company for the year ended 30 June 2012.

#### PRINCIPAL ACTIVITIES

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

#### **RESULTS OF OPERATIONS**

Loss for the year

Attributable to: Owners of the Company Non-controlling interest

Group	Company
RM	RM
7,897,382	17,526,402
6,721,512 1,175,870	17,526,402
7,897,382	17,526,402

In the opinion of the directors, the results of 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**

No dividend has been paid or declared by the Company since the end of the previous financial year. 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 other than those disclosed in the financial statements.

#### **ISSUE OF SHARES AND DEBENTURES**

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

#### TREASURY SHARES

As at 30 June 2012, the Company held as treasury shares a total of 2,094,800 of its 60,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,049,536 and further relevant details are as disclosed in Note 16 to the financial statements.

#### **SHARE OPTIONS**

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

#### OTHER STATUTORY 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.

#### OTHER STATUTORY INFORMATION (contd.)

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

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

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

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

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

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

#### **DIRECTORS**

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

Tan Sri Dato' Tajudin Ramli
Datuk Emam Mohd Haniff Emam Mohd Hussain
Dato' Abdul Halim Abdullah
Dato' Abdul Malek Ahmad Shazili
Dato' Hj Abdul Hamid Mustapha
Dato' Lim Kheng Yew
Dato' Bistamam Ramli
Datuk Mohd Shu'aib Ishak
Fazlan Azri Tajudin
Dato' Kamal Mohd Ali (Appointed on 5.4.2012)
Azlan Mohd Agel (Appointed on 5.4.2012)



#### **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 Ordina	ary Shares of RM1	each
	As at 1.7.2011	Bought	Sold	As at 30.6.2012
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	-	(11,038,608)	4,730,832
Datuk Mohd Shu'aib Ishak (Note b)	60,000	-	-	60,000
Fazlan Azri Tajudin (Note c)	853,100	-	-	853,100

Note a: Deemed interest by virtue of his interest in Kauthar Sdn. Bhd. which holds 4,730,832 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 holds 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 direct and indirect interest in the shares of the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

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

#### **DIRECTORS' BENEFITS**

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

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



#### **AUDITORS**

The auditors, Messrs. 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 17 October 2012



#### 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 53 to 112 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 2012 and of their financial performance and cash flows for the year then ended.

The information set out in Note 37 to the financial statements have been prepared in accordance with the 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 and the directive of Bursa Malaysia Securities Berhad.

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

DATO' ABDUL HALIM ABDULLAH

**DATO' BISTAMAM RAMLI** 

Kuala Lumpur 17 October 2012

#### STATUTORY DECLARATION

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

I, **DATO' BISTAMAM RAMLI**, the director primarily responsible for the financial management of **EDARAN BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 53 to 112, 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 17 October 2012

**DATO' BISTAMAM RAMLI** 

Before me,

Raymond Cha Kar Siang No. B 362 Commissioner for Oaths



#### **AUDITORS' REPORT**

#### McMillan Woods Mea (AF 1995)

#### **Chartered Accountants**

305 (Suite 2) Block E, Phileo Damansara I, 9 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor. Tel: 03-76651872 Fax: 03-79558626

#### 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 2012 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 information, as set out on pages 53 to 112.

#### **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 about 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2012 and of their financial performance and cash flows for the financial year then ended.

#### Report on Other Legal and Regulatory Requirements

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

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

#### **AUDITORS' REPORT**

#### Report on Other Legal and Regulatory Requirements (Contd.)

- (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 37 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of supplementary information in accordance with the 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 Jay Julian A/L Jaya Thalagah 2692/12/13 (J) Chartered Accountant Partner

Petaling Jaya 17 October 2012



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2012

ASSETS   Property, plant and equipment   5		Note	2012 RM	2011 RM Restated
Property, plant and equipment   1	ASSETS			
Investment property	Non-current assets			
Intangible asset	Property, plant and equipment	5	28,022,556	22,258,987
Other investments         9         2,201         2,051           Current assets         28,024,757         33,072,537           Current assets         10         3,555,192         127,142           Amount due from customers on contracts         11         3,275,309         4,047,634           Trade and other receivables         12         7,284,364         8,712,564           Tax recoverable         -         362,500           Deposits with licensed banks         13         7,699,590         8,244,674           Cash and bank balances         1,623,875         1,616,769           Asset held for sales         6         8,645,144         -           32,083,474         23,111,283           TOTAL ASSETS           EQUITY AND LIABILITIES           Equity attributable to owners of the Company           Share premium         15         8,022,580         8,022,580           Treasury shares         16         (1,049,536)         (1,049,536)           Revaluation reserve         17         5,927,783         1,224,926           Translation reserve         18         (314,054)         (79,992)           Accumulated loss         (34,541,564)         (27,901,803)           Non-controlling	Investment property	6	-	8,645,144
Current assets	Intangible asset	7	-	2,166,355
Trace and other receivables   10   3,555,192   127,143   127,142   127,142   127,142   127,142   127,142   127,142   127,142   127,142   127,142   127,142   127,142   127,142   127,143   127,142   127,143	Other investments	9	2,201	2,051
Inventories			28,024,757	33,072,537
Amount due from customers on contracts	Current assets			
Trade and other receivables         12         7,284,364         8,712,564           Tax recoverable         -         362,500           Deposits with licensed banks         13         7,699,590         8,244,674           Cash and bank balances         1,623,875         1,616,769           Asset held for sales         6         8,645,144         -           TOTAL ASSETS         60,108,231         56,183,820           EQUITY AND LIABILITIES           Equity attributable to owners of the Company           Share capital         14         60,000,000         60,000,000           Share premium         15         8,022,580         8,022,580           Treasury shares         16         (1,049,536)         (1,049,536)           Revaluation reserve         17         5,927,783         1,224,926           Translation reserve         18         (314,054)         (79,092)           Available-for-sale ("AFS") reserve         19         2,199         2,049           Accumulated loss         (34,541,564)         (27,901,803)           38,047,408         40,219,124           Non-controlling interests         (2,204,010)         (845,155)           Total Equity         35,843,398         39,373,969	Inventories	10	3,555,192	127,142
Tax recoverable	Amount due from customers on contracts	11	3,275,309	4,047,634
Deposits with licensed banks	Trade and other receivables	12	7,284,364	
Cash and bank balances			-	362,500
Asset held for sales  6	·	13	7,699,590	8,244,674
TOTAL ASSETS    60,108,231   56,183,820			1,623,875	1,616,769
### TOTAL ASSETS    FQUITY AND LIABILITIES	Asset held for sales	6		-
EQUITY AND LIABILITIES Equity attributable to owners of the Company Share capital Share premium Shar			32,083,474	23,111,283
Equity attributable to owners of the Company   Share capital   14   60,000,000   60,000,000   Share premium   15   8,022,580   8,022,580   Treasury shares   16   (1,049,536)   (1,049,536)   Revaluation reserve   17   5,927,783   1,224,926   Translation reserve   18   (314,054)   (79,092)   Available-for-sale ("AFS") reserve   19   2,199   2,049   Accumulated loss   (34,541,564)   (27,901,803)   38,047,408   40,219,124   (2,204,010)   (845,155)   35,843,398   39,373,969	TOTAL ASSETS		60,108,231	56,183,820
Share premium       15       8,022,580       8,022,580         Treasury shares       16       (1,049,536)       (1,049,536)         Revaluation reserve       17       5,927,783       1,224,926         Translation reserve       18       (314,054)       (79,092)         Available-for-sale ("AFS") reserve       19       2,199       2,049         Accumulated loss       (34,541,564)       (27,901,803)         38,047,408       40,219,124         Non-controlling interests       (2,204,010)       (845,155)         Total Equity       35,843,398       39,373,969         Non-current liabilities       21       1,989,298       -         Borrowings       22       807,520       1,279,439         Current liabilities       21       2,469,945       1,261,809         Trade and other payables       24       15,402,590       11,250,689         Borrowings       22       3,595,480       3,017,914         21,468,015       15,530,412       21,468,015       15,530,412         24,264,833       16,809,851				
Treasury shares       16       (1,049,536)       (1,049,536)         Revaluation reserve       17       5,927,783       1,224,926         Translation reserve       18       (314,054)       (79,092)         Available-for-sale ("AFS") reserve       19       2,199       2,049         Accumulated loss       (34,541,564)       (27,901,803)         38,047,408       40,219,124         Non-controlling interests       (2,204,010)       (845,155)         Total Equity       35,843,398       39,373,969         Non-current liabilities       21       1,989,298       -         Borrowings       22       807,520       1,279,439         Current liabilities       21       1,989,298       -         Amount due to customers on contracts       11       2,469,945       1,261,809         Trade and other payables       24       15,402,590       11,250,689         Borrowings       22       3,595,480       3,017,914         21,468,015       15,530,412       24,264,833       16,809,851	Share capital	14	60,000,000	60,000,000
Revaluation reserve	Share premium	15	8,022,580	8,022,580
Translation reserve       18       (314,054)       (79,092)         Available-for-sale ("AFS") reserve       19       2,199       2,049         Accumulated loss       (34,541,564)       (27,901,803)         38,047,408       40,219,124         (2,204,010)       (845,155)         35,843,398       39,373,969         Non-current liabilities       21       1,989,298       -         Borrowings       22       807,520       1,279,439         2,796,818       1,279,439         Current liabilities       11       2,469,945       1,261,809         Trade and other payables       24       15,402,590       11,250,689         Borrowings       22       3,595,480       3,017,914         21,468,015       15,530,412       24,264,833       16,809,851	Treasury shares	16	(1,049,536)	(1,049,536)
Available-for-sale ("AFS") reserve	Revaluation reserve	17	5,927,783	1,224,926
Accumulated loss	Translation reserve	18	(314,054)	(79,092)
38,047,408   40,219,124     Non-controlling interests   (2,204,010)   (845,155)     Total Equity   35,843,398   39,373,969     Non-current liabilities   21   1,989,298   -     Borrowings   22   807,520   1,279,439     2,796,818   1,279,439     Current liabilities   11   2,469,945   1,261,809     Trade and other payables   24   15,402,590   11,250,689     Borrowings   22   3,595,480   3,017,914     21,468,015   15,530,412     Total liabilities   24,264,833   16,809,851	Available-for-sale ("AFS") reserve	19	2,199	2,049
Non-controlling interests	Accumulated loss		(34,541,564)	(27,901,803)
Total Equity         35,843,398         39,373,969           Non-current liabilities         21         1,989,298         -         22         807,520         1,279,439         2,796,818         1,279,439           Current liabilities         24         1         2,469,945         1,261,809         1,261,809         1,261,809         1,250,689         3,017,914         2,468,015         15,530,412         21,468,015         15,530,412         24,264,833         16,809,851			38,047,408	40,219,124
Non-current liabilities     Deferred tax liabilities     Borrowings  Current liabilities     Amount due to customers on contracts     Trade and other payables     Borrowings  Current liabilities  Amount due to customers on contracts  Trade and other payables  Borrowings  Total liabilities  21    1,989,298	Non-controlling interests		(2,204,010)	(845,155)
Deferred tax liabilities       21       1,989,298       -         Borrowings       22       807,520       1,279,439         2,796,818       1,279,439         2,796,818       1,279,439         2,796,818       1,261,809         11       2,469,945       1,261,809         15,402,590       11,250,689         Borrowings       22       3,595,480       3,017,914         21,468,015       15,530,412         24,264,833       16,809,851	Total Equity		35,843,398	39,373,969
Borrowings       22       807,520       1,279,439         2,796,818       1,279,439         Current liabilities       11       2,469,945       1,261,809         Trade and other payables       24       15,402,590       11,250,689         Borrowings       22       3,595,480       3,017,914         21,468,015       15,530,412         24,264,833       16,809,851				
Current liabilities  Amount due to customers on contracts Trade and other payables Borrowings  Total liabilities  2,796,818 1,279,439  1,261,809 1,261,809 15,402,590 11,250,689 22 3,595,480 3,017,914 21,468,015 15,530,412 24,264,833 16,809,851	Deferred tax liabilities			-
Current liabilities       11       2,469,945       1,261,809         Trade and other payables       24       15,402,590       11,250,689         Borrowings       22       3,595,480       3,017,914         21,468,015       15,530,412         Total liabilities       24,264,833       16,809,851	Borrowings	22	807,520	1,279,439
Amount due to customers on contracts Trade and other payables Borrowings  22 23,595,480 21,468,015 21,468,015 21,468,015 21,468,015 21,261,809 22 21,468,015 21,468,015 24,264,833 24,264,833 25,809 26,809 27,809 28,809 29,809 20,809 2			2,796,818	1,279,439
Trade and other payables       24       15,402,590       11,250,689         Borrowings       22       3,595,480       3,017,914         21,468,015       15,530,412         24,264,833       16,809,851				
Borrowings 22 3,595,480 3,017,914 21,468,015 15,530,412 24,264,833 16,809,851				
Total liabilities 21,468,015 15,530,412 24,264,833 16,809,851				
Total liabilities 24,264,833 16,809,851	Borrowings	22		
TOTAL EQUITY AND LIABILITIES 60,108,231 56,183,820				
	TOTAL EQUITY AND LIABILITIES		60,108,231	56,183,820

See accompanying notes to the financial statements

# STATEMENT OF FINANCIAL POSITION as at 30 June 2012

	Note	2012 RM	2011 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,858,008	6,673,508
Investment in subsidiaries	8	32,528,371	29,030,734
Amount due from subsidiaries	20	-	18,773,947
		38,386,379	54,478,189
Current assets			
Trade and other receivables	12	204,221	153,507
Tax recoverable		-	362,500
Cash and bank balances		39,962	40,848
		244,183	556,855
TOTAL ASSETS		38,630,562	55,035,044
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	14	60,000,000	60,000,000
Share premium	15	8,022,580	8,022,580
Treasury shares	16	(1,049,536)	(1,049,536)
Accumulated loss		(49,270,148)	(31,743,746)
Total equity		17,702,896	35,229,298
Current liabilities			
Trade and other payables	24	20,927,666	19,805,746
TOTAL EQUITY AND LIABILITIES		38,630,562	55,035,044



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2012

ATTRIBUTABLE TO OWNERS OF THE COMPANY

Non-distributable

2	Note	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
	32	000,000,000	8,022,580	(1,049,536)	1,224,926	(68,734) (10,358) (79,092)	2,049	(27,901,803)	40,229,482 (10,358) 40,219,124	(240,318) (604,837) (845,155)	39,989,164 (615,195) 39,373,969
e year		1 1 1	1 1 1	1 1 1	- 4,784,608 4,784,608	(234,962)	150	1 1 1	150 (234,962) 4,784,608 4,549,796	(182,985)	150 (417,947) 4,784,608 4,366,811
ear					4,784,608	(234,962)	150	(6,721,512) (6,721,512)	(6,721,512) (2,171,716)	(1,175,870) (1,358,855)	(7,897,382) (3,530,571)
	17	1	ı	1	(81,751)	ı	1	81,751		ı	ı
	. "	000'000'09	8,022,580	(1,049,536)	5,927,783	(314,054)	2,199	(34,541,564)	38,047,408	(2,204,010)	35,843,398
		000,000,09	8,022,580	(1,049,536)	1,224,926	(77,357)	1,549	(19,815,890)	48,304,723		48,304,723
	'	000000009	8,022,580	(1,049,536)	1,224,926	(77,357)	1,549	(19,815,890)	48,306,272		48,306,272
		1	ı	1	ı	ı	200		200		200
				1 1 1	1 1 1	8,623 (10,358) (1,735)		1 1 1	8,623 (10,358) (1,735)	(23,427)	(14,804) (10,358) (25,162)
e year		1	ı	1	ı	(1,735)	200	ı	(1,235)	(23,427)	(24,662)
		1			ı		ı	(7,634,253)	(7,634,253)	(216,891)	(7,851,144)
ear		,	ı	1	ı	(1,735)	200	(7,634,253)	(7,635,488)	(240,318)	(7,875,806)
		1	ı	1	ı	ı	1			(604,837)	(604,837)
		,	ı	,	ı	1	•	(451,660)	(451,660)	,	(451,660)
	1 11	000'000'09	8,022,580	(1,049,536)	1,224,926	(79,092)	2,049	(27,901,803)	40,219,124	(845,155)	39,373,969

Foreign currency translation Revaluation of land and buildings Total other comprehensive loss for the

Gain on changes in fair value of available-for-sale investments

At 1.7.2011 As previously reported Prior year adjustment Loss for the year Total comprehensive loss for the year

Realisation of revaluation reserve

At 30.6.2012

At 1.7.2010

See accompanying notes to the financial statements

Total comprehensive loss for the year

Loss for the year

Transaction with owner

Share of goodwill

As restated Dividend paid

At 30.6.2011

Total other comprehensive loss for the

As restated

Gain on changes in fair value of available-for-sale investments

Foreign currency translation As previously reported Prior year adjustment

As previously reported Effect of adopting FRS 139

As restated

#### STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2012

			Non-distributa	able		
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Accumulated Loss RM	Total Equity RM
At 1.7.2011		60,000,000	8,022,580	(1,049,536)	(31,743,746)	35,229,298
Loss for the year		-	-	-	(17,526,402)	(17,526,402)
At 30.6.2012		60,000,000	8,022,580	(1,049,536)	(49,270,148)	17,702,896
At 1.7.2010		60,000,000	8,022,580	(1,049,536)	(28,079,840)	38,893,204
Loss for the year		-	-	-	(3,212,246)	(3,212,246)
Transaction with owner						
Dividend paid		-	-	-	(451,660)	(451,660)
At 30.6.2011		60,000,000	8,022,580	(1,049,536)	(31,743,746)	35,229,298



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2012

	Note	2012 RM	2011 RM
Revenue			
Contract revenue	11	45,805,470	40,750,722
Trading revenue		3,677,987	2,209,052
Services rendered		498,097	449,148
		49,981,554	43,408,922
Cost of revenue	25	(37,992,567)	(32,923,377)
Gross profit		11,988,987	10,485,545
Other operating income		3,346,128	438,765
Administrative expenses		(12,759,009)	(10,888,613)
Selling and marketing expenses		(121,326)	(849,775)
Other operating expenses		(9,874,989)	(6,956,776)
oss from operations		(7,420,209)	(7,770,854)
Finance costs		(504,424)	(280,011)
oss before tax	26	(7,924,633)	(8,050,865)
ncome tax	29	27,251	199,721
oss for the year		(7,897,382)	(7,851,144)
Other comprehensive income			
Gain on changes in fair value		150	F00
of available-for-sale investments		150	500
Foreign currency translation		(417,947) 4,784,608	(25,162)
Revaluation of land and buildings		4,704,000	
Total comprehensive loss for the year attributable to owners of the Company		(3,530,571)	(7,875,806)
			(, -,)
oss attributable to :		(0.704.540)	(7.004.050)
Owners of the Company		(6,721,512)	(7,634,253)
Non-controlling interests		(1,175,870)	(216,891)
ess for the year		(7,897,382)	(7,851,144)
otal comprehensive loss attributable to:			
Owners of the Company		(2,171,715)	(7,635,488)
Non-controlling interests		(1,358,856)	(240,318)
		(3,530,571)	(7,875,806)
Loss per share (sen)	30	(11.61)	(13.18)
2000 p. 011010 (0011)			(13.13)

# STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2012

Revenue Other operating income  Administrative expenses Selling and marketing expenses Other operating expenses Loss from operations  Finance costs Loss before tax Income tax  Loss for the year  Other comprehensive loss for	
Administrative expenses Selling and marketing expenses Other operating expenses Loss from operations Finance costs Loss before tax Income tax Loss for the year Other comprehensive income	Revenue
Selling and marketing expenses Other operating expenses Loss from operations Finance costs Loss before tax Income tax Loss for the year Other comprehensive income	Other operating income
Selling and marketing expenses Other operating expenses Loss from operations Finance costs Loss before tax Income tax Loss for the year Other comprehensive income	
Other operating expenses  Loss from operations  Finance costs  Loss before tax  Income tax  Loss for the year  Other comprehensive income	·
Loss from operations  Finance costs  Loss before tax  Income tax  Loss for the year  Other comprehensive income	· · ·
Finance costs  Loss before tax  Income tax  Loss for the year  Other comprehensive income	Other operating expenses
Finance costs  Loss before tax  Income tax  Loss for the year  Other comprehensive income	Loss from energtions
Loss before tax Income tax Loss for the year Other comprehensive income	Loss from operations
Loss before tax Income tax Loss for the year Other comprehensive income	Finance costs
Income tax  Loss for the year  Other comprehensive income	1 manes 333.5
Loss for the year  Other comprehensive income	Loss before tax
Loss for the year  Other comprehensive income	
Other comprehensive income	Income tax
Other comprehensive income	
·	Loss for the year
·	Other comprehensive income
Total comprehensive loss for	Other comprehensive income
	Total comprehensive loss for
the year attributable to owners of the Company	•

Note	2012 RM	2011 RM
	648,000	648,000
	530,709	661,951
	(2,753,969)	(2,739,100)
	(55,469)	(80,975)
	(15,895,673)	(1,901,843)
	(17,526,402)	(3,411,967)
	-	-
26	(17,526,402)	(3,411,967)
29	-	199,721
	(17,526,402)	(3,212,246)
	-	-
	(17,526,402)	(3,212,246)

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2012

	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(7,924,633)	(8,050,865)
Adjustments for:		
Depreciation	2,677,582	2,408,398
Interest expense	504,424	280,011
Interest income	1,026,561	220,472
Gain on disposal of property, plant and equipment Impairment loss on:	(72,813)	(85,082)
Goodwill	2,072,488	-
Trade receivables	390,894	-
Reversal of impairment loss on trade receivables	(1,815,954)	
Operating loss before working capital changes	(3,141,451)	(5,227,066)
Increase in inventories	(3,428,050)	(102,043)
Decrease in receivables	2,853,260	4,148,778
Decrease in amounts due from customers on contracts	772,325	4,929,650
Increase in amounts due to customers on contracts	1,208,136	1,051,141
Increase / (decrease) in payables	4,151,901	(8,655,278)
Cash generated from / (used in) operating activities	2,416,121	(3,854,818)
Income tax refund	362,500	323,128
Interest paid	(504,424)	(280,011)
Interest received	(1,026,561) 1,247,636	(220,472)
CASH FLOWS FROM INVESTING ACTIVITIES	1,247,030	(4,032,173)
Additions to property, plant and equipment	(1,420,911)	(456,186)
Proceeds from disposal of property, plant and equipment	143,485	86,374
Net cash acquired on acquisition of subsidiary	-	574,164
That duct adquired on adquirement of duboratory	(1,277,426)	204,352
CASH FLOWS FROM FINANCING ACTIVITIES  Dividend paid		(451,660)
Repayment of hire purchase payable	(602,080)	(541,586)
Repayment of term loan	(267,829)	(230,848)
(Decrease) / increase in trust receipts	(113,800)	113,800
Increase / (decrease) in bankers' acceptances	1,082,000	(174,000)
Decrease in deposits pledged as security with licensed bank	55,441	1,361,343
	153,732	77,049
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	123,942	(3,750,772)
Effects of foreign exchange rate changes	(274,835)	(97,318)
Balance at beginning of year	1,316,679	5,164,769
Balance at end of year	1,165,786	1,316,679
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and bank balances	1,623,875	1,616,769
Deposits with licensed banks	7,699,590	8,244,674
Bank overdraft	(1,051,044)	(1,382,688)
	8,272,421	8,478,755
Less: Deposits pledged as security with licensed banks	(7,106,635)	(7,162,076)
	1,165,786	1,316,679

### STATEMENT OF CASH FLOWS for the year ended 30 June 2012

	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(17,526,402)	(3,411,967)
Adjustments for:		
Depreciation	878,771	924,444
Impairment losses - investment in subsidiaries	14,349,931	-
Interest income	(530,709)	(661,951)
Operating loss before working capital changes	(2,828,409)	(3,149,474)
(Increase) / decrease in receivables	(50,714)	2,060
Increase in payables	2,138,299	821,587
Cash used in operating activities	(740,824)	(2,325,827)
Income tax refund	362,500	323,128
Interest received	530,709	661,951
	152,385	(1,340,748)
CASH FLOWS FROM INVESTING ACTIVITIES		
	(62.271)	(107 502)
Additions to property, plant and equipment Investment in subsidiaries	(63,271)	(107,502)
investment in subsidiaries	(90,000) (153,271)	(107 502)
	(155,271)	(107,502)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(451,660)
	-	(451,660)
NET DECREASE IN CASH	(886)	(1,899,910)
Balance at beginning of year	40,848	1,940,758
Balance at end of year	39,962	40,848
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and bank balances	39,962	40,848



ANNUAL REPORT 2012

# notes to the financial statements



EDARAN BERHAD (241644 W) (Incorporated in Malaysia)

#### 1. CORPORATE 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 8 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 17 October 2012.

#### 2. BASIS OF PREPARATION

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

At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2011 as described fully in Note 2.1.

The financial statements of the Group and of the Company have also been prepared on a historical basis, modified to include the revaluation of certain properties included in the property, plant and equipment.

The financial statements are presented in Ringgit Malaysia ("RM").

On 1 July 2011, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual periods beginning on or after 1 July 2011:



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

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

On 1 July 2011, the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual periods beginning on or after 1 January 2011, and 1 July 2011:

FRSs, Amendments to	FRSs and IC Interpretations	Effective for Financial Periods Beginning On or After
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 1,	Improvements to FRSs (2010)	1 January 2011
FRS 3, FRS 7, FRS 1	101,	
FRS 121, FRS 128,		
FRS 131, FRS 132,		
FRS 134, FRS 139		
and IC Int. 13		
IC Int. 4	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Int. 18	Transfers of Assets from Customers	1 January 2011
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Int. 14	4 Prepayments of a Minimum Funding Requirement	1 July 2011

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

#### Amendments to FRS 7 Improving Disclosures about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. Reconciliation between the beginning and ending balance for Level 3 fair value measurements is required.

Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 33. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 34.

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

2.2 Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations issued but not yet effective

FRSs, Amendments to F	FRSs and IC Interpretations	Effective for Financial Periods Beginning On or After
FRS 9	Financial Instruments (2009 + 2010)	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1	Government Loans	1 January 2013
Amendments to FRS 7	Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 1,	Improvements to FRSs (2012)	1 January 2013
FRS 101, FRS 116,		
FRS 132, FRS 134,		
and IC Int. 2		
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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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 Company.



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

#### 2.3 Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

Below are the lists of MFRSs and IC Interpretations issued but not yet effective and have not been early adopted by the Company:

MFRSs, Amendr	nents to MFRSs and IC Interpretations	Effective for Financial Periods Beginning On or After
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2012
MFRS 2	Shared-based Payment	1 January 2012
MFRS 3	Business Combinations	1 January 2012
MFRS 4	Insurance Contracts	1 January 2012
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2012
MFRS 6	Exploration for and Evaluation for Mineral Resources	1 January 2012
MFRS 7	Financial Instruments : Disclosures	1 January 2012
MFRS 8	Operating Segments	1 January 2012
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosures of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 101	Presentation of Financial Statements	1 January 2012
MFRS 102	Inventories	1 January 2012

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

2.3 Malaysian Financial Reporting Standards (Contd.)

MFRSs, Amendments to	) MFRSs and IC Interpretations	Effective for Financial Periods Beginning On or After
MFRS 107	Statement of Cash Flows	1 January 2012
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2012
MFRS 110	Events After the Reporting Period	1 January 2012
MFRS 111	Construction Contracts	1 January 2012
MFRS 112	Income Taxes	1 January 2012
MFRS 116	Property, Plant and Equipment	1 January 2012
MFRS 117	Leases	1 January 2012
MFRS 118	Revenue	1 January 2012
MFRS 119	Employee Benefits	1 January 2012
MFRS 119	Employee Benefits (revised)	1 January 2013
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2012
MFRS 123	Borrowing Costs	1 January 2012
MFRS 124	Related Party Disclosures	1 January 2012
MFRS 126	Accounting and Reporting by Retirement Benefit Plans	1 January 2012
MFRS 127	Consolidated and Separate Financial Statements	1 January 2012
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investment in Associates	1 January 2012
MFRS 128	Investment in Associates and Joint Ventures	1 January 2013
MFRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2012
MFRS 131	Interests in Joint Ventures	1 January 2012
MFRS 132	Financial Instruments : Presentation	1 January 2012
MFRS 133	Earnings Per Share	1 January 2012
MFRS 134	Interim Financial Reporting	1 January 2012
MFRS 136	Impairment of Assets	1 January 2012
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2012
MFRS 138	Intangible Assets	1 January 2012
MFRS 139	Financial Instruments : Recognition and Measurement	1 January 2012
MFRS 140	Investment Property	1 January 2012
MFRS 141	Agriculture	1 January 2012
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10	Consolidated Financial Statements, Joint Arrangements and Disclosure of	,
MFRS 11 and MFRS 12		1 January 2013

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

2.3 Malaysian Financial Reporting Standards (Contd.)

MFRSs, Amendments to	MFRSs and IC Interpretations	Effective for Financial Periods Beginning On or After
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendment to MFRS 1, MFRS 101, MFRS 116, MFRS 132, MFRS 134	Annual Improvements 2009-2011 Cycle	1 January 2013
IC Int 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2012
IC Int 2	Members' Shares in Co-operative Entities and Similar Instruments	1 January 2012
IC Int 4	Determining whether and Arrangement contains a Lease	1 January 2012
IC Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental	
	Rehabilitation Funds	1 January 2012
IC Int 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and	
	Electronic Equipment	1 January 2012
IC Int 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in	
	Hyperinflationary Economics	1 January 2012
IC Int 9	Reassessment of Embedded Derivatives	1 January 2012
IC Int 10	Interim Financial Reporting and Impairment	1 January 2012
IC Int 12	Service Concession Arrangements	1 January 2012
IC Int 13	Customer Loyalty Programmes	1 January 2012
IC Int 14	MFRS 119- The Limit on a Defined Benefits Asset, Minimum Funding	
	Requirements and their interaction	1 January 2012
IC Int 15	Agreements for the Construction of Real Estate	1 January 2012
IC Int 16	Hedges of a Net Investment in a Foreign Operation	1 January 2012
IC Int 17	Distributions of Non-cash Assets to Owners	1 January 2012
IC Int 18	Transfers of Assets from Customers	1 January 2012
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2012
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Int 110	Government Assistance - No Specific Relation to Operating Activities	1 January 2012
IC Int 112	Consolidation - Special Purpose Entities	1 January 2012
IC Int 113	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	1 January 2012
IC Int 115	Operating Leases - Incentives	1 January 2012
IC Int 125	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	1 January 2012
IC Int 127	Evaluation the Substances of Transactions to Legal Form of a Lease	1 January 2012
IC Int 129	Service Concession Arrangements : Disclosures	1 January 2012
IC Int 131	Revenue - Barter Transactions Involving Advertising Services	1 January 2012
IC Int 132	Intangible Assets - Web Site Costs	1 January 2012

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 30 June 2012 could be different if prepared under the MFRS Framework.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 3.6. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

Subsidiaries 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.

#### 3.2 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

#### 3.3 Foreign currency

#### (a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic 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.

#### (b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

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

#### (b) Foreign currency transactions (Contd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

#### (c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations 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 reporting date.

#### 3.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

Leasehold land and buildings are subsequently shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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 derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

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

#### 3.4 Property, plant and equipment and depreciation (Contd.)

Freehold land has unlimited useful life and therefore is not depreciated. Capital work in progress is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land

Buildings

Renovations

Office equipment

Equipment tools, motor vehicles, and

furniture & fittings

Over the lease period

2%

5% - 20%

50% - 33%

20% - 33%

Plant & machinery 6% - 25%

The residual value, useful life and depreciation method are reviewed at each financial yearend, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

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.

#### 3.5 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.

After initial recognition as investment property, an item of investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Except for freehold land which is not depreciated, depreciation is provided on a straight-line basis so as to write off the depreciable amount of the investment property over its estimated useful live.

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.

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

### 3.6 Intangible assets

### Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less 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.

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 may be impaired, by comparing the carrying amount of 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 3.3.

### 3.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

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

### 3.8 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

### 3.9 Construction 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.

### 3.10 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 financial instruments.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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.

### (a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

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

### 3.10 Financial assets (Contd.)

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

As at reporting date, the Group and the Company has not designated any financial assets as at fair value through profit or loss.

### (b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

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

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

### (c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequently to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

As at reporting date, the Group and the Company have not classified any financial assets as at held-to-maturity investments.

### (d) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

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

(d) Available-for-sale financial assets (Contd.)

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to cash flow from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by the regulation or convention in the marketplace concern. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

### 3.11 Impairment of financial assets

The Group and the Company assess at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(a) Trade and other receivables, held-to-maturity investments and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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 a 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.

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

### 3.11 Impairment of financial assets (Contd.)

### (b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

### (c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

### 3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### 3.13 Inventories

Inventories which are mainly raw material and work in progress are stated at lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of work-in-progress comprises costs of material, conversion and other costs incurred in bringing the inventories to their present location and condition.

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

### 3.14 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

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

### 3.14 Provisions

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow economic resource will be required to settle the obligation, the provision is reversed. If the effect if the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 3.15 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

### (a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company has not designated any financial liabilities as at fair value through profit or loss.

### (b) Other financial liabilities

The Group and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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

### 3.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

### 3.17 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. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

### (ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund (EPF), a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

### 3.18 Leases - As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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

### 3.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

- (i) Revenue from contract works is accounted for by the stage of completion method as described in Note 3.9.
- (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 using the applicable effective interest method.
- (v) Rental income is recognised on an accrual basis.
- (vi) Dividend income is recognised when the right to receive payment is established.
- (vii) Management fee is recognised when services are performed.

### 3.20 Income taxes

### (a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

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

### 3.20 Income taxes (Contd.)

### (b) Deferred tax (Contd.)

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 3.21 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services. The Chief Executive Officer of the Group regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 3.22 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

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

### 3.23 Treasury shares

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

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

### 3.24 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 JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

### 4.1 Key sources of estimation uncertainty

### (i) Useful lives of property, plant and equipment

The Group and the Company estimates the useful lives of property, plant and equipment based on period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectation differs from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Contd.)

### 4.1 Key sources of estimation uncertainty (Contd.)

### (ii) Impairment of property, plant and equipment

The Group and the Company reviews the carrying amounts of the property, plant and equipment as at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. While the Group and the Company believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment charges.

### (iii) Impairment of 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.

### (iv) Impairment of goodwill

Goodwill recognised in the financial statements is reviewed annually for potential impairment. This process requires an estimation of the value-in-use of the cash-generating- units ("CGU") to which goodwill is assessed. In order to arrive at the value-in- use, the management has to estimate the expected future cash flows from the CGU and to apply a set of key assumptions and suitable discounting factors to calculate the net present value of the expected cash flows. The carrying amount of goodwill was impaired during the current financial year following the losses suffered in a subsidiary. Further details are disclosed in Note 7.

### (v) Impairment of investment

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 Group's and the Company's test for impairment of investments.

### (vi) Income tax

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.

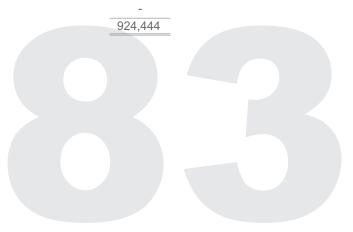
# NOTES TO THE FINANCIAL STATEMENTS 5. PROPERTY, PLANT AND EQUIPMENT

	Long term leasehold land at valuation	Building at valuation	Furniture & fittings	Office equipment	Renovations	Motor	Equipment tools	Gymnasium equipment	Plant & Machinery	Total
alicac	RM	RM	RM M	Z.	Z.	RM	RM	RM	A.	RM W
Cost / Valuation										
At 1.7.2011	8,429,000	4,177,000	900,118	689,660,6	7,223,255	5,084,912	992,448	3,420	1,319,458	37,229,300
Additions	,	,	1,682	183,968	180,184	471,621	535	1	921,921	1,759,911
Revaluation surplus	4,162,191	2,638,966	1	ı	1	ı	ı	ı	,	6,801,157
Disposals	1	1	ı	(4,335)	ı	(310,523)	1	1	1	(314,858)
Transferred from										
on revalution surplus	(420,189)	(368,968)	,	,	,		ı	ı	,	(789,157)
Exchange differences			666	(51)	7,554	(7,864)	1	1	(57,171)	(56,533)
At 30.6.2012	12,171,002	6,446,998	902,799	9,279,271	7,410,993	5,238,146	992,983	3,420	2,184,208	44,629,820
Accumulated Depreciation										
At 1.7.2011	380,548	334,160	720,564	6,279,984	2,378,105	3,654,849	986,107	3,419	232,577	14,970,313
Charge for the year	119,741	110,023	75,020	1,003,274	471,711	718,625	1,697	ı	177,491	2,677,582
Disposals	1	1	1	(943)	1	(243,243)	ı	1	1	(244,186)
Transferred to cost										
on revaluation surplus	(420,189)	(368,968)	1	ı	1	ı	ı	ı	1	(789,157)
Exchange differences	,	,	689	472	5,474	(3,845)	1	1	(10,078)	(7,288)
At 30.6.2012	80,100	75,215	796,273	7,282,787	2,855,290	4,126,386	987,804	3,419	399,990	16,607,264
Carrying Amount	9	, , , , , , , , , , , , , , , , , , ,	7 0 0 0	000	r r c	1	r 1	4	0	C C C C C C C C C C C C C C C C C C C
At 30.6.2012	12,090,902	6,371,783	106,526	1,996,484	4,555,703	1,111,760	5,179		1,784,218	28,022,556
At 30.6.2011	8,048,452	3,842,840	179,554	2,819,705	4,845,150	1,430,063	6,341	_	1,086,881	22,258,987
Depreciation charge										
tor year 2011	95,137	83,540	75,850	1,033,519	460,463	658,603	1,286	1		2,408,398

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

	At 1.7.2011	Additions	Disposals	At 30.6.2012
Company	RM	RM	RM	RM
Cost				
Office equipment	3,797,666	54,627	_	3,852,293
Renovations	5,260,956	8.644	_	5,269,600
Motor vehicles	158,710	-	_	158,710
Gymnasium equipment	3,420	_	_	3,420
, , ,	9,220,752	63,271	-	9,284,023
		,		
<b>Accumulated Depreciation</b>				
Office equipment	1,681,294	594,802	-	2,276,096
Renovations	703,822	283,969	-	987,791
Motor vehicles	158,709	-	-	158,709
Gymnasium equipment	3,419	-	-	3,419
	2,547,244	878,771	-	3,426,015
Carrying Amount				
Office equipment	2,116,372	(540, 175)	-	1,576,197
Renovations	4,557,134	(275,325)	-	4,281,809
Motor vehicles	1	-	-	1
Gymnasium equipment	1	-	-	1
	6,673,508	(815,500)	-	5,858,008

Depreciation charge for year	2011	Company
		RM
Office equipment		625,467
Renovations		298,977
Motor vehicles		-
Gymnasium equipment		-
		924,444



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

The leasehold land has an unexpired lease term of 73 years. On 12 September 2011, 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 said property been carried at historical cost less accumulated depreciation, the carrying amounts of the buildings and leasehold lands would have been included in the financial statements as at the end of reporting period would be as follow:

	GRO	OUP
	2012	2011
	RM	RM
Leasehold Land	7,102,706	7,185,046
Buildings	3,147,640	3,273,845
-	10,250,346	10,458,891

Carrying amount of property, plant and equipment held under hire purchase arrangements as disclosed in Note 23 are as follows:

	GRO	UP
	2012	2011
	RM	RM
Motor vehicles	1,011,062	1,326,639

During the financial year, the Group and the Company purchased property, plant and equipment with an aggregate cost of RM1,759,911 (RM456,186 in 2011) and RM63,271 (RM107,502 in 2011) respectively of which RM339,000 (Nil in 2011) were acquired by means of hire purchase and finance lease arrangements of the Group. Cash payments of RM1,420,911 (RM456,186 in 2011) and RM63,271 (RM107,502 in 2011) were made by the Group and the Company respectively during the financial year.

### 6. INVESTMENT PROPERTY

	GRO	JUP
	2012	2011
Freehold land at cost	RM	RM
At 1 July	8,645,144	8,645,144
Less: Reclassified to Asset Held for Sales	(8,645,144)	-
At 30 June	-	8,645,144
Asset Held for Sales	8,645,144	-

Freehold land has an unlimited useful life and therefore is not depreciated.

On 24 November 2011, Edaran IT Services Sdn. Bhd., a subsidiary of the Company entered into a conditional Sale and Purchase Agreement with ITP Cjaya Sdn. Bhd. to dispose the freehold land for a sales consideration of RM13,085,605. The completion of the sales is pending approval of transfer of the land title by the relevant state authorities.

### 7. INTANGIBLE ASSET

	GROUP		
	2012	2011	
Coodwill	RM	RM (Destated)	
Goodwill		(Restated)	
Cost:			
At 1 July	2,166,355		
Additions:	2,100,333	-	
Acquisition of a subsidiary	_	2,129,524	
Exchange differences	(93,867)	36,831	
At 30 June	2,072,488	2,166,355	
7 to 30 duries	2,012,100	2,100,000	
Accumulated impairment loss			
At 1 July	-	-	
Recognised during the year	2,072,488	-	
At 30 June	2,072,488	-	
Net carrying amount			
At 1 July	2,166,355	-	
At 30 June	-	2,166,355	

Goodwill acquired in a business combination is allocated to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill has been allocated to the following business segments as independent CGUs:

		GROUP
	2012	2011
	RM	RM
		(Restated)
Manufacturing division		2,166,355

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

Due to the losses suffered from this business segment, the management is of the opinion to impair the goodwill arising from the said business combination.

The impairment loss has been included in the other operating expenses in the statements of comprehensive income.

### 8. INVESTMENT IN SUBSIDIARIES

	COM	PANY
	2012	2011
	RM	RM
Unquoted shares, at costs	56,284,208	56,194,208
Discount on loans to subsidiaries	17,757,568	
	74,041,776	56,194,208
Less: Accumulated impairment losses	(41,513,405)	(27,163,474)
·	32,528,371	29,030,734

The details of the subsidiary companies are as follows:

Name of Subsidiary	Equ Inte 2012		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	s Sdn. Bh	d.		
PT Linewin	51%	51%	Indonesia	Manufacturing, processing and trading of timber wood including rubber wood and related product

<sup>\*\*</sup> Audited by firm other than McMillan Woods Mea

### 9. OTHER INVESTMENTS

	GRO	DUP
	2012	2011
	RM	RM
Non-Current		
Available-for-sale financial assets		
Carrying amount:		
Equity instruments		
<ul> <li>Quoted shares in Malaysia</li> </ul>	2,200	2,050
- Unquoted shares	1	1
	2,201	2,051
Market value:		
- Quoted shares in Malaysia	2,200	2,050

### 10. INVENTORIES

	GRO	UP
	2012	2011
	RM	RM
At Cost		
Raw material	685,241	60,190
Work-in progress	2,806,663	30,628
Consumables & spare parts	63,288	36,324
	3,555,192	127,142
Inventories recognised as cost of sales	2,368,297	-

### 11. AMOUNT DUE FROM / (TO) CUSTOMERS ON CONTRACTS

	GRO	OUP
	2012	2011
	RM	RM
Aggregate costs incurred to date	78,857,678	59,378,603
Add: Attributable profits recognised	18,803,398	11,904,197
	97,661,076	71,282,800
Less: Progress billings	(96,855,712)	(68,496,975)
	805,364	2,785,825
Represented by:		
Amount due from customers on contracts	3,275,309	4,047,634
Amount due to customers on contracts	(2,469,945)	(1,261,809)
	805,364	2,785,825
Contract revenue recognised	45,805,470	40,750,722
Contract cost recognised	34,435,438	30,361,570

### 12. TRADE AND OTHER RECEIVABLES

2 2011 RM 199 39,540,74 131) (33,210,19 068 6,330,54 906 268,90 547 329,10		2011 RM - - - - 43,393
199 39,540,74 131) (33,210,19 068 6,330,54	740 - 191) - 549 -	- - -
131) (33,210,19 068 6,330,54 906 268,90		- - - 43,393
131) (33,210,19 068 6,330,54 906 268,90		- - - 43,393
131) (33,210,19 068 6,330,54 906 268,90		- - - 43,393
906 268,90	906 -	- - 43,393
906 268,90	906 -	- - 43,393
•		- 43,393
547 329.10	108 54.585	43,393
	- 1,000	
141 4,497,72	721 98,963	97,820
619 883,19	197 50,673	12,294
213 5,978,93	932 204,221	153,507
917) (921.91	917) -	_
		_
•		-
		153,507
	564 204 221	153,507
( ( ( )	917) (921,9 000) (2,675,0 917) (3,596,9 296 2,382,0	917) (921,917) - 000) (2,675,000) - 917) (3,596,917) -

### (a) Trade receivables

Trade receivables are non-interest bearing and the credit terms offered by the Group in respect of trade receivables ranges from thirty (30) days to ninety (90) days [2011: thirty (30) days to ninety (90) days] from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

2011

2012

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

	2012	2011
	RM	RM
Neither past due nor impaired	4,329,191	3,886,642
1 to 30 days past due not impaired	643,244	334,935
31 to 60 days past due not impaired	268,083	-
61 to 90 days past due not impaired	-	-
More than 91 days past due not impaired	68,550	2,108,972
Impaired	31,785,131	33,210,191
	37,094,199	39,540,740

### 12. TRADE AND OTHER RECEIVABLES (Contd.)

(a) Trade receivables (Contd.)

### 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.

### Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM979,877 (RM2,443,907 in 2011) that are past due at the reporting date but not impaired. Trade receivables that are past due but not impaired are unsecured in nature. 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 Group continue to pursue the full recovery of these debts.

### Trade receivables that are impaired

The trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	INDIVIDUALL	Y IMPAIRED
	2012	2011
	RM	RM
Trade receivables		
- nominal amounts	31,785,131	33,210,191
Less: Impairment losses	(31,785,131)	(33,210,191)
	-	-

Trade receivables that are impaired at the end of the reporting period relate to customers that have financial difficulties and have defaulted in repayment.

Movement in impairment losses accounts:

	2012	2011
	RM	RM
At 1 July	33,210,191	33,210,191
Charge for the year	390,894	-
Reversal of Impairment losses	(1,815,954)	-
At 30 June	31,785,131	33,210,191

### (b) Other receivables

Related parties mean companies owned substantially by the Company shareholders and / or directors. Amount due from all related parties is unsecured, interest-free and is repayable on demand.

### 13. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks of the Group amounting to RM7,106,635 (RM7,162,076 in 2011) are pledged to banks for credit facilities granted to certain subsidiaries as referred to Note 22.

The interest rates and average maturities of deposits of the Group as at 30 June 2012 range from 2.60% to 5.00% (2.60% to 5.00% in 2011) per annum and between 30 to 365 days respectively. (30 to 365 days in 2011)

### 14. SHARE CAPITAL

	GROUP/C	GROUP/COMPANY	
	2012	2011	
Ordinary shares of RM1 each	RM	RM	
Authorised	100,000,000	100,000,000	
Issued and fully paid	60,000,000	60,000,000	

### 15. SHARE PREMIUM

	GROUP/COMPANY	
	2012	2011
	RM	RM
As at 1 July/		
As at 30 June	8,022,580	8,022,580

### 16. TREASURY SHARES

	GROUP/COMPANY	
	2012	2011
	RM	RM
As at 1 July/		
As at 30 June	1,049,536	1,049,536

The shareholders of the Company, by ordinary resolution passed in a general meeting held on 1 December 2011, 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 2011) issued and fully paid ordinary shares as at 30 June 2012, the Company held 2,094,800 (2,094,800 in 2011) as treasury shares.

### 17. REVALUATION RESERVE

	GRU	JUP
	2012	2011
Property, Plant and Equipment	RM	RM
At 1 July	1,224,926	1,224,926
Increase of revaluation surplus (Note 5)	6,801,157	-
Deffered tax on revaluation surplus (Note 21)	(2,016,549)	-
Realisation of revaluation surplus	(81,751)	-
At 30 june	5,927,783	1,224,926

### 17. REVALUATION RESERVE (Contd.)

The revaluation reserve of the Group represents the surplus arising from the revaluation of the parcels of leasehold land and buildings based on independent firm of professional valuers using the open market value basis.

### 18. FOREIGN CURRENCY TRANSLATION RESERVE

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

### 19. 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.

### 20. AMOUNT DUE FROM SUBSIDIARY COMPANIES

The amount due from subsidiary companies is unsecured, bears interest at 4% in 2011 per annum and is repayable on demand.

### 21. DEFERRED TAX LIABILITIES

	GRO	UP		COMPANY
	2012	2011	201	<b>2</b> 2011
	RM	RM	RM	RM
At 1 July	-	-	-	-
Recognised in other comprehensive				
income (Note 17)	2,016,549	-	-	-
Recognised in profit or loss (Note 29)	(27,251)	-	-	-
At 30 June	1,989,298	-	_	-

	GROUP			COMP	PANY
	2012	2011		2012	2011
	RM	RM		RM	RM
Presented after appropriate offsetting					
are as follows:					
Deferred tax assets	(746,776)	(705,704)		(90,629)	-
Deferred tax liabilities	2,736,074	705,704		90,629	-
	1,989,298	-	-	-	-



### 21. DEFERRED TAX (Contd.)

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

	GRO	DUP
	2012	2011
	RM	RM
Unabsorbed capital allowances		
At 1 July	(150,181)	-
Recognised in profit or loss	(174,148)	(150,181)
At 30 June	(324,329)	(150,181)

COMPANY					
2012	2011				
RM	RM				
-	-				
(87,501)	-				
(87,501)	-				

	GRO	OUP
	2012	2011
	RM	RM
Unused tax losses		
At 1 July	(555,523)	(629,025)
Recognised in profit or loss	133,076	73,502
At 30 June	(422,447)	(555,523)

COMPANY						
2012	2011					
RM	RM					
-	-					
(3,128)	-					
(3,128)	-					

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

	GRO	UP	COME
	2012	2011	2012
	RM	RM	RM
Revaluation of property, plant and			
equipment			
At 1 July	499,295	499,295	-
Recognised in profit or loss	-	-	-
Recognised in other comprehensive income	1,989,298	-	_
At 30 June	2,488,593	499,295	-

COMPANY					
2012	2011				
RM	RM				
-	-				
-	-				
-	-				
_	-				

	GRO	OUP
	2012	2011
	RM	RM
Capital allowances claimed in excess of		
depreciation		
At 1 July	206,409	129,730
Recognised in profit or loss	41,072	76,679
At 30 June	247,481	206,409

001111	7 11 4 1
2012	2011
RM	RM
-	-
90,629	-
90,629	-

COMPANY

### 21. DEFERRED TAX (Contd.)

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

	GROUP		COMP	PANY
	2012	2011	2012	2011
	RM	RM	RM	RM
Depreciation claimed in excess of capital				
allowances	7,587	5,691	-	-
Unused tax losses	6,250,391	4,602,813	550,209	-
Unabsorbed capital allowances	310,340	297,539	-	-
	6,568,318	4,906,043	555,209	-

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 it is not probable that sufficient taxable profits will be available to set off such unabsorbed tax losses and capital allowance.



### 22. BORROWINGS

	GR	OUP	COM	PANY
	2012	2011	2012	2011
	RM	RM	RM	RM
Short Term Borrowings				
Bank overdrafts	1,051,044	1,382,688	-	-
Bankers' acceptances	1,782,000	700,000	-	-
Term loans	228,208	238,544	-	-
Trust receipts	-	113,800	-	-
Hire purchase payables (Note 23)	534,228	582,882	-	-
	3,595,480	3,017,914		
Long Term Borrowings				
Term loans	418,381	675,874	-	-
Hire purchase payables (Note 23)	389,139	603,565		-
	807,520	1,279,439	-	-
Total Borrowings				
Bank overdrafts	1,051,044	1,382,688	-	-
Bankers' acceptances	1,782,000	700,000	-	-
Term loans	646,589	914,418	-	-
Trust receipts	-	113,800	-	-
Hire purchase payables (Note 23)	923,367	1,186,447		-
	4,403,000	4,297,353	-	-
Maturity of Borrowings				
(excluding hire purchase)				
Within one year	3,061,252	2,435,032	-	-
More than 1 year and less than 2 years	228,208	238,544	-	-
More than 2 years and less than 5 years	190,173	437,330		-
	3,479,633	3,110,906		

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

	GROUP		CO	MPANY
	2012	2011	2012	2011
	%	%	%	%
Bank overdrafts	8.42	7.60	-	-
Bankers' acceptances	4.20	4.35	-	-
Trust receipts	-	7.60	-	-
Term loans	9.19	9.19		

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

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

### 23. HIRE PURCHASE PAYABLES

	GRO	OUP	COM	PANY
	2012	2011	2012	2011
	RM	RM	RM	RM
Minimum lease payments:				
Not later than one year	572,365	627,774	-	-
More than 1 year and less than 2 years	201,613	282,213	-	-
More than 2 years and less than 5 years	216,222	339,577	-	-
	990,200	1,249,564	-	-
Less: Future finance charges	(66,833)	(63,117)	-	-
Present value of finance lease liabilities	923,367	1,186,447	-	-
Present value of finance lease liabilities:				
Not later than one year	534,228	582,882	-	-
More than 1 year and less than 2 years	185,356	504,969	-	-
More than 2 years and less than 5 years	203,783	98,596	-	-
	923,367	1,186,447	-	-
Analysed as:				
Due within 12 months (Note 22)	534,228	582,882	-	-
Due after 12 months (Note 22)	389,139	603,565	-	-
	923,367	1,186,447	-	-

The hire purchase payables bear interest from 4.24% to 9.00% (4.24% to 9.00% in 2011) per annum.



### 24. TRADE AND OTHER PAYABLES

	GRO	OUP	COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Current				
Trade payables (Note a)				
Third parties	6,843,556	4,936,808	-	-
Other payables and accruals				
Subsidiary (Note b)	-	-	17,780,808	16,822,707
Other payables	3,219,632	3,928,760	2,776,036	2,776,036
Deposits (Note b)	3,504,102	27,400	-	-
Accruals	1,835,300	1,907,566	370,822	207,003
Amount due to Directors	-	450,155	-	-
	8,559,034	6,313,881	20,927,666	19,805,746
	15,402,590	11,250,689	20,927,666	19,805,746



### 24. TRADE AND OTHER PAYABLES (Contd.)

### (a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Group range from thirty (30) to ninety (90) days (2011: thirty (30) days to ninety (90) days) from date of invoice.

### (b) Other payables and accruals

The amount due to a subsidiary company is interest-free, unsecured and is repayable on demand.

Included in deposits is an amount of RM3,466,712 being deposits received upon the execution of the Sales & Purchase Agreement on the sale of the subsidiary investment property as disclosed in Note 6 to the financial statements.

### 25. COST OF REVENUE

	GROUP		
	2012	2011	
	RM	RM	
Contract costs	34,435,438	30,361,570	
Trading costs	3,164,313	2,033,001	
Services costs	392,816	528,806	
	37,992,567	32,923,378	

COMPANY				
2012	2011			
RM	RM			
-	-			
-	-			
	-			
-	-			



### 26. LOSS BEFORE TAX

	GR	OUP	CC	MPANY
	2012	2011	2012	2011
	RM	RM	RM	RM
After charging / (crediting):				
Audit fee - current year	49,705	46,868	12,000	12,000
<ul> <li>under provision in prior year</li> </ul>	2,849	-	-	-
Employee benefits expense (Note 27)	9,353,440	8,925,580	1,506,983	1,494,369
Depreciation	2,677,582	2,408,398	878,771	924,443
Directors' remuneration (Note 28)	1,104,250	1,092,250	422,000	410,000
Impairment loss on:				
Trade receivables	390,894	-	-	-
Intangible assets	2,072,488	-	-	-
Investment in subsidiaries	-	-	14,349,931	-
Rental of premises	491,693	226,545	-	-
Rental of motor vehicle	29,941	-	-	-
Finance costs:				
Bank overdraft interest	249,118	123,278	-	-
Hire purchase interest	64,332	71,703	-	-
Term loan interest	104,841	12,353	-	-
Trust receipts interest	86,133	72,677	-	-



### 26. LOSS BEFORE TAX (Contd.)

	GRO	UP	COM	PANY
	2012	2011	2012	2011
	RM	RM	RM	RM
Management fee income from:				
Subsidiaries	-	-		
Rental income	(130,800)	(130,800)	(648,000)	(648,000)
Dividend income	-	-	-	-
			-	-
Interest income from:				
Deposits with licensed bank	(218,128)	(220,472)	-	-
Subsidiaries	-	-	(530,709)	(661,951)
Trade receivables	(808,433)	-	-	-
Reversal of impairment loss on				
trade receivables	(1,815,954)	-	-	-
Gain on disposal of property,				
plant and equipment	(72,813)	(85,082)		

### 27. EMPLOYEE BENEFITS EXPENSE

	GROUP		COM	PANY
	<b>2012</b> 2011		2012	2011
	RM	RM	RM	RM
Salaries and bonus	7,043,940	6,788,464	1,101,321	1,016,337
Contribution to defined contribution plan	882,475	788,671	133,674	119,640
SOCSO contributions	61,950	60,364	10,252	9,905
Other benefits	1,365,075	1,288,081	261,736	348,487
	9,353,440	8,925,580	1,506,983	1,494,369

Included in employee benefits expense of the Group and of the Company is executive directors' remuneration as further disclosed in Note 28, excluding benefits-in-kind.



### 28. DIRECTORS' REMUNERATION

	GRO	UP		COMP	ANY
	2012	2011		2012	2011
	RM	RM		RM	RM
Directors of the Company					
Executive Directors					
- 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
Non-Executive Directors					
- fees	182,000	170,000	_	182,000	170,000
	1,104,250	1,092,250		422,000	410,000

### 29. INCOME TAX

	GR	OUP	COM	IPANY
	2012	2011	2012	2011
	RM	RM	RM	RM
Current tax				
Over provision in prior year	-	(199,721)	-	(199,721)
Deferred tax				
Crystallisation on revaluation reserve				
(Note 21)	(27,251)	-	_	-
	(27,251)	(199,721)	-	(199,721)

As at 30 June 2012, the Group has unutilised business losses of RM23,887,671 (RM22,650,004 in 2011) and unabsorbed capital allowance of RM2,621,811 (RM1,941,216 in 2011) respectively to set off against future taxable profits. As at 30 June 2012, the Company has unutilised business loss of RM2,213,350 (RM1,082,807 in 2011) and unabsorbed capital allowance of RM388,520 (RM192,575 in 2011) to set off against future taxable profits.

Domestic current income tax is calculated at the statutory tax rate of 25% (2011:25%) of the estimated assessable (loss) / profit for the year. Taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.



### 29. INCOME TAX (Contd.)

The reconciliation of tax expense applicable to the profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	GR	OUP	COME	PANY
	2012	2011	2012	2011
	RM	RM	RM	RM
Loss before tax	(7,924,633)	(8,050,865)	(17,526,402)	(3,411,967)
Taxation at Malaysian				
statutory tax rate of 25%	(1,981,157)	(2,012,718)	(4,381,600)	(852,992)
Different tax rates in the				
foreign subsidiary company	49,665	22,401	-	-
Expenses not deductible				
for tax purposes	1,177,246	513,326	3,948,935	153,779
Income not subject to tax	(453,989)	-	-	-
Tax incentives *	(598,966)	(18,578)	-	-
Over provision in prior year	-	(199,721)	-	(199,721)
Crystallisation of deferred tax liability on				
revaluation reserve	(27,251)	-	-	-
Deferred tax assets not				
recognised during the year	1,807,201	1,495,569	432,665	699,213
Tax income for the year	(27,251)	(199,721)	-	(199,721)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

### 30. LOSS PER SHARE

The loss per share is calculated based on the loss attributable to equity holders of the Company of RM6,721,512 (RM7,634,253 in 2011) on the 60,000,000 (60,000,000 in 2011) and a weighted average number of ordinary shares outstanding calculated as follows:

Weighted average number of ordinary shares

Issued ordinary shares at 1 July
Effect of treasury shares held
Weighted average number of ordinary shares at 30 June

Basic loss per ordinary share (sen)

GROUP			
2012	2011		
60 000 000	60,000,000		
	60,000,000 (2,094,800)		
57,905,200	57,905,200		
11.61	13.18		
	<b>2012</b> 60,000,000 (2,094,800) 57,905,200		

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

### 31. RELATED PARTY TRANSACTIONS

### (a) Significant transactions with related parties

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

	GRO	DUP
	2012	2011
	RM	RM
Management fee income		
from subsidiary companies	-	-
Interest income from subsidiary companies		-

COMPANY				
2012	2011			
RM	RM			
648,000	648,000			
530,709	661,951			

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.

### (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	GROUP		
	2012	2011	
	RM	RM	
Short-term employee benefits	1,054,754	1,099,004	
Contributions to defined contribution plan	126,528	126,288	
	1.181.282	1.225.292	

COMPANY				
<b>2012</b> 2011				
RM	RM			
240,000	240,000			
28,800	28,800			
268,800	268,800			

Included in the total key management personnel of the Group and of the Company is executive directors' remuneration as further disclosed in Note 28, excluding benefits-in-kind.



### 32. PRIOR YEAR ADJUSTMENTS

This is in respect of the non-controlling interests share of goodwill arising from the acquisition of a subsidiary in prior year.

Arising there from, the Group has restated its goodwill, non-controlling interests and translation reserve accordingly as follows:

	As previously As restared RM RM			
As at 30 June 2011				
Intangible asset Translation reserve	2,781,550 (68,734)	2,166,355 (79,092)		
Non-controlling interests	(240,318)	(845,155)		

The restatement does not have any impact on the loss per share of the Group.

There is no impact on the Group's statement of comprehensive income, the Company's financial position and statement of comprehensive income of the relevant financial year.

### 33. FINANCIAL INSTRUMENTS

### a) Classification of financial instruments

The financial assets and liabilities are classified into the following categories:

	GROUP		COMPANY
	2012	2011	<b>2012</b> 2011
	RM	RM	<b>RM</b> RM
Financial Assets			
Available-for-sale:			
Other investments			
<ul> <li>Quoted shares in Malaysia</li> </ul>	2,200	2,050	
<ul> <li>Unquoted shares in Malaysia</li> </ul>	1	1	
Loans and receivables:			
Trade and other receivables,			
net of prepayments	6,662,745	7,829,367	153,548 141,213
Deposits with licensed banks	7,699,590	8,244,674	-
Cash and bank balances	1,623,875	1,616,769	39,962 40,848
Amount due from subsidiary companies		-	- 18,773,947
Total	15,988,411	17,692,861	193,510 18,956,008
Financial Liabilities			
Other financial liabilities:			
Trade and other payables	11,898,488	11,223,289	20,927,666 19,805,746
Borrowings	4,403,000	4,297,353	-
Total	16,301,488	15,520,642	20,927,666 19,805,746

### 33. FINANCIAL INSTRUMENTS (Contd)

### b) Fair value of financial instruments

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.

Long term borrowings are determined by discounting the relevant cash flows using the current interest rates for similar instruments at the end of reporting date. Since the current interest rates do not significantly differ from the intrinsic rate of these financial instruments, the fair values of these financial instruments therefore, closely approximate its carrying amounts as at the end of the reporting date.

### (i) Fair value hierarchy

The table below analyses financial instruments carried at fair value, using a fair value hierarchy. The different levels have been defined as follows:

- Level1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

GROUP	Level 1 RM	Level 2 RM	Level 3 RM	Total
30 June 2012 Financial Assets				
Investment in quoted shares	2,200	-	-	2,200

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's business whilst managing its credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

### Credit risk

Credit risk arises from the possibility that a customer defaulting in payment of goods and services supplied. However, this risk is minimised, since the Group's major customer is the Government of Malaysia. In managing credit risk arising from the rest of the receivables, the Group assesses the financial viability of the customers and applies due credit approval, monitoring and collection processes.

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd)

### Credit risk (Contd)

### Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

### Credit risk concentration profile

The Group uses ageing analysis to monitor the credit quality of its trade receivables. At the reporting date, the Group has significant concentration of the credit risk in the form of outstanding balance due from 4 (2 in 2011) major customers amounting to RM3,693,424 (RM2,108,972 in 2011) representing 70% (33% in 2011) of the total trade receivables.

Although the Group's major debtors are concentrated on a group of debtors, no major credit risk may arise as these groups of debtors are the various departments of the Government of Malaysia.

The Company does not specifically monitor the ageing of the advances to subsidiaries as the advances are repayable on demand.

### Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 12 to the financial statements. Bank balances are placed with reputable financial institutions with high credit ratings and no history of default.

### Financial assets that are either past due or impaired

Information regarding trade and other receivables that are either past due or impaired is disclosed in Note 12 to the financial statements.

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

	GROUP		CO	COMPANY	
	<b>2012</b> 2011		2012	2011	
	RM	RM	RM	RM	
Corporate Guarantees					
Corporate guarantee given to banks for					
credit facilities granted to subsidiaries	_	-	12,169,001	15,452,649	
	-	-	12,169,001	15,452,649	

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 2012, there was no indication that any subsidiary would default on payment.

### Liquidity risk

In managing liquidity risk, the Group and the Company will strive to ensure that it maintains sufficient cash resources, other liquid assets and the availability of funding through an adequate amount of committed credit facilities to meet working capital requirement.

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd)

### Liquidity (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.

	On Demand within one year RM	One to two years	2012 Two to five years	Over five years	Carrying amount RM
Financial liabilities: Group	17,111	Kin	Kill	KW	KW
Trade and other payables (Note 24) Borrowings (Note 22)	11,898,488 3.595.480	- 413.564	- 393.956	-	11,898,488 4,403,000
	15,493,968	413,564	393,956		16,301,488
Company Trade and other payables (Note 24)	20,927,666				20,927,666

	2011					
	On Demand within one year	One to two years	Two to five years	Over five years	Carrying amount	
	RM	RM	RM	RM	RM	
Financial liabilities:						
Group						
Trade and other payables (Note 24)	11,223,289	-	-	-	11,223,289	
Borrowings (Note 22)	3,017,914	743,513	535,926	-	4,297,353	
	14,241,203	743,513	535,926	-	15,520,642	
Company						
Trade and other payables (Note 24)	19,805,746				19,805,746	

### 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 Group and the Company had no long term interest-bearing assets as at 30 June 2012. 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.

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

### Interest rate risk (Contd.)

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

### Sensitivity analysis for fixed rate instruments

The Group do not account for any fixed rate financial liabilities at fair value through profit or loss, and do not designate derivatives as hedging instruments under a fair value hedges accounting model. Therefore, a change in interest rates at the end of the reporting period would not affected profit or loss.

### Sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's loss after tax for the year would have been RM28,330 higher/lower arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

### Foreign currency risk

Foreign currency 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 not significantly exposed to foreign currency risk as majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia other than foreign subsidiaries operation. The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate.

The currencies giving rise to this risk are primarily Indonesian Rupiah ("IDR") and United States Dollar ("USD"). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the asset or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

### Exposure to foreign currency risk

The net un-hedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Net financial assets/ (liabilities) held in non-functional currencies			
Functional currency of the Group (in RM)	USD RM			
At 30 June 2012 Indonesian Rupiah	121,461 -			
At 30 June 2011 Indonesian Rupiah	102,906 (701,972)	)		

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

### Interest rate risk (Contd.)

### Sensitivity analysis for currency risk

The following table demonstrate the sensitivity of the Group's loss net of tax to a reasonably possible change in the USD and IDR exchange rates against the functional currencies of the Group entities, with all other variables held constant.

		GRO	DUP
		2012	2011
		RM	RM
		Loss ne	et of tax
USD/RM	- strengthened 5%	111,537	-
	- weakened 5%	(111,537)	-
IDR/RM	- strengthened 5%	94,648	(4,720)
	- weakened 5%	(94,648)	4,720

### **Equity price risk**

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

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

### Sensitivity analysis for currency risk

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.

### 35. 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.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using gearing ratios, which is net debts divided by total capital plus net debts. The Group includes wthin net debts, loans and borrowings, trade and other payables less cash and bank balances. Total capital includes equity attributable to owners of the Company.

### 35. CAPITAL MANAGEMENT (Contd.)

	GRO	OUP
	2012 RM	2011 RM
Total borrowings (Note 22)	4,403,000	4,297,353
Trade and other payables (Note 24)	15,402,590	11,250,689
	19,805,590	15,548,042
Cash and cash equivalents	(9,323,465)	(9,861,443)
Net debt	10,482,125	5,686,599
Total equity	35,843,398	39,373,969
Net Debt and Equity	46,325,523	45,060,568
Debt-to-equity ratio	0.23	0.13

There were no changes in the Group's approach to capital management during the financial year.

### 36. SEGMENT INFORMATION

The Group has five 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 and special interest project.

### (v) Manufacturing

Involved in the woods trading and manufacturing services

Starting from the year ended 30 June 2012, the financial results of lifestyle and manufacturing which were reported as one single operating segment in previous year financial statements are separated and reported as two separate operating segments. Following a change in the composition of the Group's operating segments that in turn results in a change in the reportable segments, the segment information for the financial year ended 30 June 2011 has been restated.

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 3.21.

# NOTES TO THE FINANCIAL STATEMENTS 36. OPERATING SEGMENTS (CONTG.)

	Investment Holdings		Information Technology	echnology	Telecommunications	nications	Lifestyle	Vle	Manufacturing	turing	Total	
			and Ser	Services						)		
	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM Restated	2012 RM	2011 RM Restated	2012 RM	2011 RM
Segment profit / (loss)	(17,526,402)	(3,411,967)	150,123	(2,429,057)	(385,378)	(555,278)	(1,020,891)	(657,264)	(1,775,171)	(52,538)	(20,557,719)	(7,106,104)
Included in the measure of seament profit / (loss) are:												
External sales		,	46,303,567	41,199,870	,	,	551,400	2,209,052	3,126,587	,	49,981,554	43,408,922
Inter-segment sales	648,000	648,000	1	ı	ı	ı	ı	ı	ı	1	648,000	648,000
Finance income	530,709	661,951	208,243	193,120	9,041	27,153	1	1	844	199	748,837	882,423
Depreciation & amortisation	(878,771)	(924,444)	(1,083,264)	(1,068,667)	(441,619)	(401,115)	(20,029)	(14,172)	(253,899)		(2,677,582)	(2,408,398)
Gain on disposal												
of plant & equipment	1	,	72,813	85,082	ı	ı	ı	ı	ı	ı	72,813	85,082
Impairment loss on												
trade receivables	1	ı	1	1	(390,894)	1	1	1	1	1	(390,894)	1
Impairment loss on	7,000										(400	
Investment in subsidiaries	(14,349,931)										(14,349,931)	
Not Included in the measure												
of segment profit ((loss) but												
Finance costs	,	,	(646,823)	(671,022)	(233,184)	(226,104)	,	,	(117,780)	(9,132)	(997,787)	(906,258)
Tax income		199,721	7,980		1 9,271						27,251	199,721
Segment assets	38,630,562	55,035,044	49,454,772	39,657,847	29,151,131	37,360,379	10,608,443	3,462,756	5,647,359	2,559,777	133,492,267	138,075,803
Included in the measure of												
segment assets are:												
Additions to non-current assets												
other than financial instruments												
and deferred tax assets	63,271	107,502	496,259	322,172			4,300	20,678	1,200,273	1,074,210	1,764,103	1,524,562

### 36. OPERATING SEGMENTS (Contd.)

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

	20	012	2011
Profit or loss	F	RM	RM
Total loss for reportable segments	(20,5	57,719)	(7,106,104)
Other non-reportable segments	(2,	,819)	(2,800)
Elimination of inter-segment profits	15,2	12,817	(661,951)
Finance costs	(504)	4,424)	(280,010)
Unallocated expenses	(2,07	72,488)	-
Consolidated loss before tax	(7,92	24,633)	(8,050,865)

	External	Depreciation	Finance	Finance	Segment	Additions
2012	revenue	and	costs	income	assets	to non-current
2012		amortisation				assets
	RM	RM	RM	RM	RM	RM
Total reportable segments	49,981,554	(2,677,582)	(997,787)	748,837	133,492,267	1,764,103
Other non-reportable segments	-	-	(37,346)	-	3,895	-
Elimination of inter-segment						
transaction or balances	_	-	530,709	(530,709)	(73,897,257)	(4,192)
Consolidated total	49,981,554	(2,677,582)	(504,424)	218,128	59,598,905	1,759,911

2011 (Restated)	External revenue	Depreciation and amortisation	Finance costs	Finance income	Segment assets	Additions to non-current assets
	RM	RM	RM	RM	RM	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	-
Unallocated intangible asset	-	-	-	-	2,166,355	2,166,355
Elimination of inter-segment						
transaction 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

### **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.

	RE	REVENUE		RENT ASSETS
	2012	2011	2012	2011
	RM	RM	RM	RM
Malaysia	45,325,340	40,887,382	25,819,75	31,636,534
Brunei	1,529,627	312,488	85,26	211,797
Indonesia	3,126,587	2,209,052	2,117,53	36 1,224,206
	49,981,554	43,408,922	28,022,55	33,072,537

### **Major customers**

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

### 37. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the unappropriated profits or accumulated losses of the Group and of the Company as at 30 June, into realised and unrealised profits or losses, pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market listing Requirements are as follows:

	GRC	UP		COMPANY	
	2012	2011		2012	2011
	RM	RM		RM	RM
Total accumulated losses of the Company					
and its subsidiaries					
- Realised	51,938,507	30,451,836		49,270,148	31,743,746
- Unrealised		-			-
	51,938,507	30,451,836		49,270,148	31,743,746
Less: Consolidated adjustments	(17,396,943)	(2,550,033)		-	-
Total accumulated losses as per					
consolidated financial statements	34,541,564	27,901,803	:	49,270,148	31,743,746

The determination of realised and unrealised profits or losses 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.



# statistics on shareholdings



### STATISTICS ON SHAREHOLDINGS

### STATEMENT OF SHAREHOLDINGS

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

Class of Shares : Ordinary shares of RM1.00 each

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

One vote per share on a poll

No. of Shareholders : 1,702

### **ANALYSIS OF SHAREHOLDINGS**

### A. Distribution of Shareholdings (as at 28 September 2012)

Size of Shareholdings	Shareholders	Shareholding	%
Less than 100	18	556	0.00
100 - 1,000	1,125	1,102,740	1.84
1,001 - 10,000	416	1,813,800	3.02
10,001 - 100,000	119	3,790,332	6.32
100,001 to less than 5% of issued shares	19	15,688,569	26.15
5% and above of issued shares	5	37,604,003	62.67
Total	1,702	60,000,000	100.00

### B. List of Thirty (30) Largest Shareholders (as at 28 September 2012)

Nan	nes	No. of Shares	%
1	Valiant Chapter Sdn Bhd	14,168,765	23.61
2	CIMSEC Nominees (Tempatan) Sdn Bhd Pengurusan Danaharta Nasional Berhad	11,038,608	18.40
3	Kauthar Sdn Bhd	4,730,830	7.88
4	Unique Pyramid Sdn Bhd	4,590,136	7.65
5	Initiative Aims Sdn Bhd	3,075,662	5.13
6	Gigantic Talent Sdn Bhd	2,842,700	4.74
7	Shahidan bin Shafie	2,620,000	4.37
8	Graphics Divine Sdn Bhd	2,201,100	3.67
9	Datuk Mohd Shu'aib bin Hj Ishak	1,421,428	2.37
10	Rizuwan bin Mohd Murad	1,300,428	2.17
11	Kauthar General Services Sdn Bhd	563,500	0.94
12	Mazlifah Binti Abdullah	548,800	0.91
13	Power Protection (M) Sdn Bhd	546,000	0.91
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	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tay Ah Cham	213,000	0.36

### STATISTICS ON SHAREHOLDINGS

### B. List of Thirty (30) Largest Shareholders (as at 28 September 2012) (Contd)

Nan	nes	No. of Shares	%
18	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Shiraz bin Shahidan (SHI0075C)	186,000	0.31
19	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Idris bin Abdullah @ Das Murthy	149,400	0.25
20	Chiam Yoke Kee	130,000	0.22
21	OSK Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Teaw Kee	120,700	0.20
22	Ahmad Bin Bachok	100,000	0.17
23	Yong Yoke Eng	100,000	0.17
24	Rohana Binti Laksamana	100,000	0.17
25	Saujana Paradigma Sdn Bhd	100,000	0.17
26	Renfield Investment Limited	100,000	0.17
27	Normah Binti Ali Affandi	92,932	0.15
28	Vignesh Nair A/L Balan Nair	92,200	0.15
29	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Peng Jin	81,000	0.14
30	Kang Swee Huat	75,700	0.13

### C. Substantial Shareholders (as at 28 September 2012)

(as shown in the Register of Substantial Shareholders)

Names of Substantial Shareho	lders	No. of Shares Held	%	Notes
1. Valiant Chapter Sdn Bhd		14,168,765	24.46	
2. CIMSEC Nominees (Tempatar	2. CIMSEC Nominees (Tempatan) Sdn Bhd			
(Pengurusan Danaharta Nasio	nal Berhad)	11,038,608	19.06	
3. Tan Sri Dato' Tajudin Ramli	(Direct)	2	0.00	
	(Indirect)	4,730,832	8.17	
	Total	4,730,834	8.17	(a)
4. Kauthar Sdn Bhd		4,730,832	8.17	
5. Unique Pyramid Sdn Bhd		4,590,136	7.93	

### Note

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

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

### STATISTICS ON SHAREHOLDINGS

### D. Directors' Shareholding (as at 28 September 2012)

(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	4,730,832(a)	8.17
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' Kamal Mohd Ali	0	0	0.00
8. Encik Azlan Mohd Agel	0	0	0.00
9. Dato' Bistamam Ramli	0	0	0.00
10. Datuk Mohd Shu'aib Ishak	1,421,428	60,000(b)	2.56
11. Encik 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 28 September 2012)

Directors	No. of Shares Held (Direct)	No. of Shares Held (Indirect)	%
1. Tan Sri Dato' Tajudin Ramli Nil	-	-	-
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' Kamal Mohd Ali			-
Nil 8. Encik Azlan Mohd Agel		-	-
Nil 9. Dato' Bistamam Ramli Nil		-	-
10. Datuk Mohd Shu'aib Ishak Nil			-
11. Fazlan Azri Tajudin			_

ANNUAL REPORT 2012

# group properties



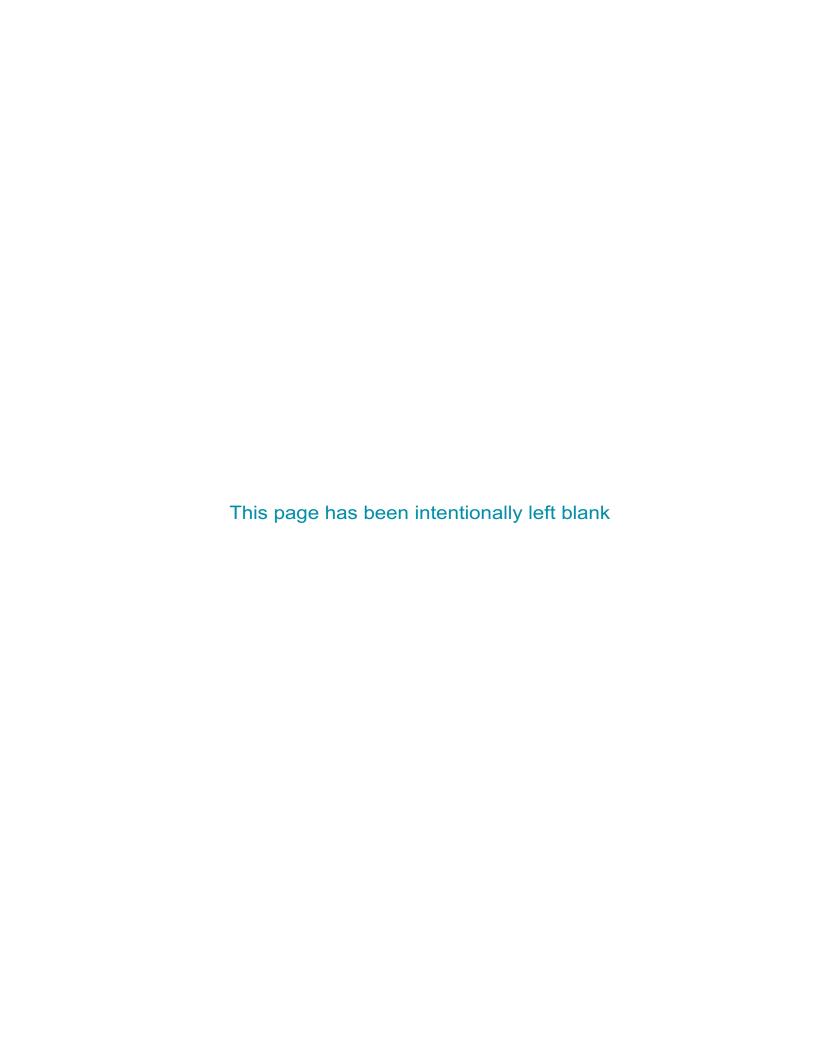
## GROUP PROPERTIES as at 30 June 2012

Location	Description/ Current Use of Building	Tenure/ Tenure Period	Date of Revaluation	Approximate Age of Building (years)	Building Area/ Land Area (sq. meters)	Net Book Value (RM'000)
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.	12 Sept 2011	18	1,002.00 / 334.18	3,502
HS (D) 50146, Lot No. PT 1702 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 32 Jalan 1/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse  Own Occupation (Office space)	Leasehold / 99 years expiring on 06.07.2085.	12 Sept 2011	18	852.02 / 284.18	3,020
HS (D) 50312, Lot No. PT 1866 Mukim of Ampang, District and State of Wilayah Persekutuan. (No. 2 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur)	Terrace Shophouse  Own Occupation (Office space)	Leasehold / 99 years expiring on 07.07.2085.	12 Sept 2011	17	700.11 /	3,947
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.	12 Sept 2011	17	443.52 / 163.50	2,249
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.	12 Sept 2011	17	443.52 / 163.50	2,249

## GROUP PROPERTIES as at 30 June 2012

Location	Description/ Current Use of Building	Tenure/ Tenure Period	Date of Revaluation	Approximate Age of Building (years)	Building Area/ Land Area (sq. meters)	Net Book Value (RM'000)
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.	1 12 Sept 2011 1 1	18 18	474.43 / 1 153.28	1 1,614
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.	1 12 Sept 2011 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 18 18 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 474.43 / 1 153.28	1 1,614 1,614 1 1 1,614 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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.	1 2 Sept 2011	19	153.29/ 1	258





### **PROXY FORM**

1/3.67

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

NIDIO/O

I/vve		NRIC/Company No		
		NRIC NO.		
	sence,	NRIC No.		
of				
to be held on Th	to vote for me/us on my/our behalf at the Twenti- ursday, 29 November 2012 at Junior Ballroom, Inte mpur at 10.00 a.m. and at any adjournment thereo	erContinental Kuala Lum	eting of Ed pur, 165 Ja	aran Berhad lan Ampang,
My / Our pro	xy is to vote as indicated below :			
	RESOLUTIONS		FOR	AGAINST
RESOLUTION 1	To receive and adopt the Audited Financial State and the Group for the financial year ended 30 Ju the Directors' and Auditors' Reports thereon.			
RESOLUTION 2	To re-elect a Director retiring under Article 101 of of Association:  Datuk Mohd Shu 'aib Ishak	the Company's Articles		
RESOLUTION 3	To re-elect a Director retiring under Article 101 of th Association:  Encik Fazlan Azri Tajudin	ne Company's Articles of		
RESOLUTION 4	To re-elect a Director retiring under Article 102 of the Association :  Dato' Kamal Mohd Ali	e Company's Articles of		
RESOLUTION 5	To re-elect a Director retiring under Article 102 of the Association:  Encik Azlan Mohd Agel	e Company's Articles of		
RESOLUTION 6	To re-appoint Datuk Emam Mohd Haniff Emam Mpursuant to Section 129(6) of the Companies Act, the next Annual General Meeting.			
RESOLUTION 7	To approve the payment of the Directors' fee for 130 June 2012.	the financial year ended		
RESOLUTION 8	To re-appoint Messrs. McMillan Woods Mea as A and to authorise the Directors to fix their remune			
RESOLUTION 9	To give authority to the Directors to issue shares the Companies Act, 1965.	under Section 132D of		
(Please indicate Proxy will vote of	with an "X" in the spaces provided how you wis or abstain from voting at his/her discretion.)	h to cast your votes. If	you do not	do so, the
Signed this	day of 201	12		
Signature of Men	nber / 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 without limitation. 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. Only members registered in the Record of Depositors on or before 5.00 p.m. as at 26 November 2012 shall be eligible to attend the meeting or appoint a proxy to attend and/or vote on such depositor's behalf.
- 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 2/76b. 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		
Then fold here		
		AFFIX
		STAMP
	THE COMPANY SECRETARY	
	EDARAN BERHAD	
	No. 33-1 Jalan 2/76C Desa Pandan	
	55100 Kuala Lumpur	

First fold here



### **Business Office:**

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

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

### Registered Office:

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

Tel: (6) 03-9206 7381 Fax: (6) 03-9283 0192

www.edaran.com