edaran

25 years in Nation Building

A GREAT NATION BEGINS WITH A GREAT PEOPLE

25 years in Nation Building

A GREAT NATION BEGINS *with* A GREAT PEOPLE

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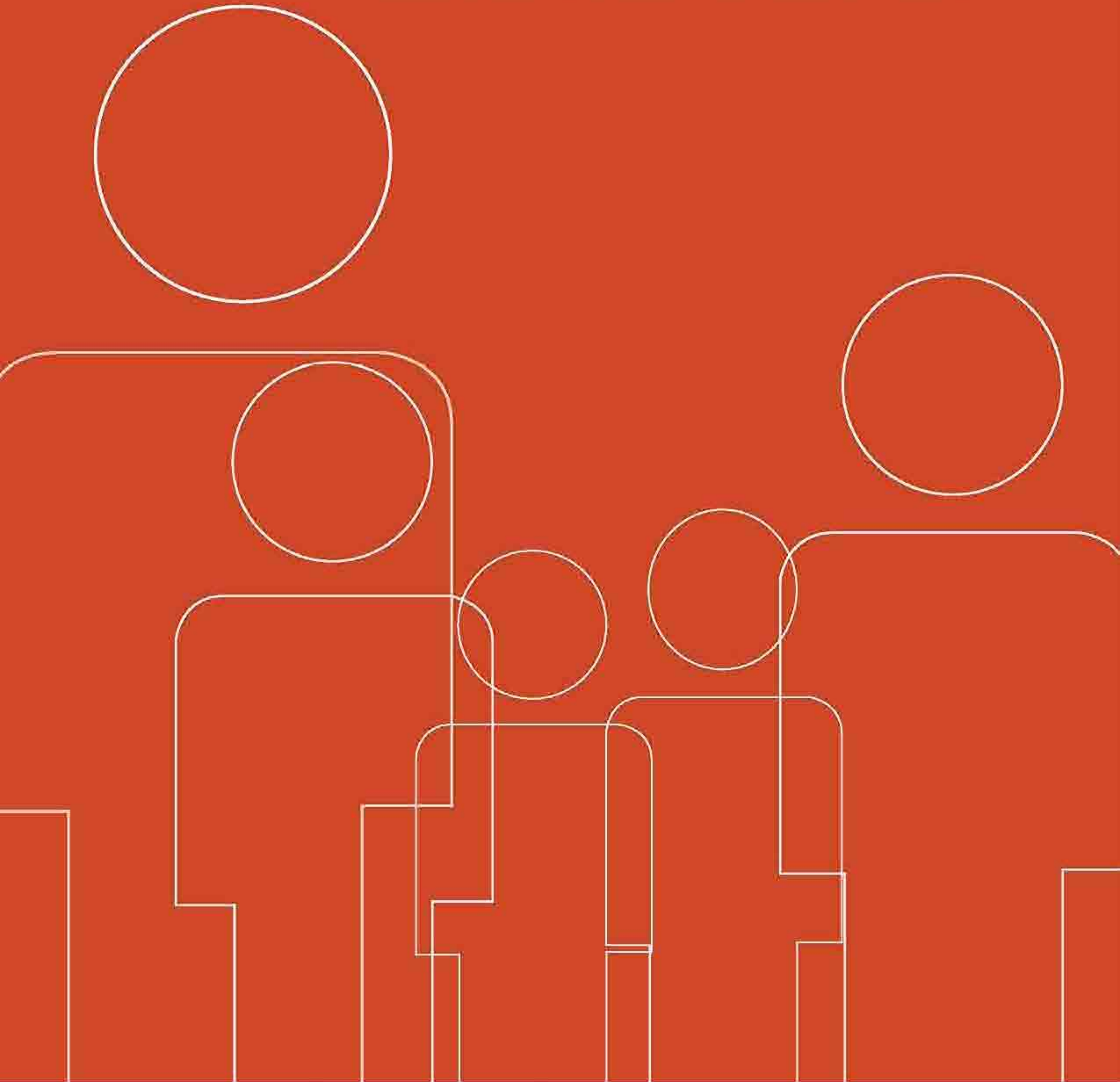
NOTICE OF ANNUAL GENERAL MEETING



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of Edaran Berhad will be held on Thursday, 28 November 2013 at Ballroom 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 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 2013 together with the Directors' and Auditors' Reports thereon. **Note a**

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. Dato' Abdul Halim Abdullah **Resolution 1**

   ii. Dato' Hj Abdul Hamid Mustapha **Resolution 2**

   iii. Dato' Lim Kheng Yew **Resolution 3**

3. To re-appoint Datuk Emam Mohd Haniff Emam Mohd Hussain who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the next Annual General Meeting. **Resolution 4**

4. To approve the payment of the Directors' fee for the financial year ended 30 June 2013. **Resolution 5**

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

B. SPECIAL BUSINESS

6. Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965. **Note b**

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

   "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."

7. Continuation in Office as Independent Non Executive Directors. **Note c**

   To give an approval to the following Directors who have served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company:

   i. Datuk Eman Mohd Haniff Emam Mohd Hussain **Resolution 8**
   ii. Dato' Abdul Halim Abdullah **Resolution 9**
   iii. Dato' Hj Abdul Hamid Mustapha **Resolution 10**
   iv. Dato' Abdul Malek Ahmad Shazili **Resolution 11**

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
   6 November 2013

Explanatory Notes

a. Explanatory Note on Item 1 of the Agenda
- Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2013.

The Audited Financial Statements in Agenda 1 is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting.

b. Explanatory Note on Item 6 of the Agenda
- Resolution pursuant to Section 132D of the Companies Act, 1965.

Ordinary Resolution 7 (under item 6 above) is a renewal of the mandate obtained at the last Annual General Meeting which was not utilised during the financial year.

Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of this General Meeting, an authority to issue and allot ordinary shares from the unissued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will provide flexibility to the Company for any possible fund raising exercise including but not limited to placement of shares for the purpose of funding current and/or future investment project(s), working capital and/or acquisitions.

This authority will, unless earlier revoked or varied by the Company in a general meeting, expire at the next annual general meeting.

c. Explanatory Note on Item 7 of the Agenda
- Continuation in Office as Independent Non Executive Directors.

Pursuant to the Malaysian Code on Corporate Governance 2012, the Board of Directors has assessed the independence of Datuk Eman Mohd Haniff Emam Mohd Hussain, Dato' Abdul Halim Abdullah, Dato' Hj Abdul Hamid Mustapha and Dato' Abdul Malek Ahmad Shazili who each has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

(i) each of them fulfills the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
(ii) each of them is familiar with the Company's business operations as they have been with the Company for more than 9 years;
(iii) each of them has devoted sufficient time and attention to their responsibilities as Independent Non-Executive Directors of the Company; and
(iv) each of them has exercised due care during their tenure as Independent Directors of the Company and carried out their duties in the interest of the Company and shareholders.

Subject to the passing of Resolution 1, 2 and 4, the proposed Resolution 8,9,10 and 11, if passed, will enable Datuk Eman Mohd Haniff Emam Mohd Hussain, Dato' Abdul Halim Abdullah, Dato' Hj Abdul Hamid Mustapha and Dato' Abdul Malek Ahmad Shazili respectively to continue to act as Independent Non-Executive Directors of the Company.

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 25 November 2013 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 2013 and the attendance of the Directors thereat:-

1. Details of Board meetings held during the financial year

Date	Time	Venue
16 Aug 2012	10.00 a.m.	Board Room, No. 2, 4 & 6 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur.
17 Oct 2012	2.30 p.m.	
22 Nov 2012	10.00 a.m.	
28 Feb 2013	10.00 a.m.	
30 May 2013	2.00 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	4/5
Dato' Kamal Mohd Ali	5 Apr 2012	5/5
Encik Azlan Mohd Agel	5 Apr 2012	4/5
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 Twenty First Annual General Meeting of Edaran Berhad are as follows:-

DATUK EMAM MOHD HANIFF EMAM MOHD HUSSAIN
Senior Independent, Non-Executive Director

DATO' ABDUL HALIM ABDULLAH
Independent, Non-Executive Director

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

DATO' LIM KHENG YEW
Independent, Non-Executive Director

The profiles of the Directors who are standing for re-election are set out on pages 15 to 18 of the Annual Report.

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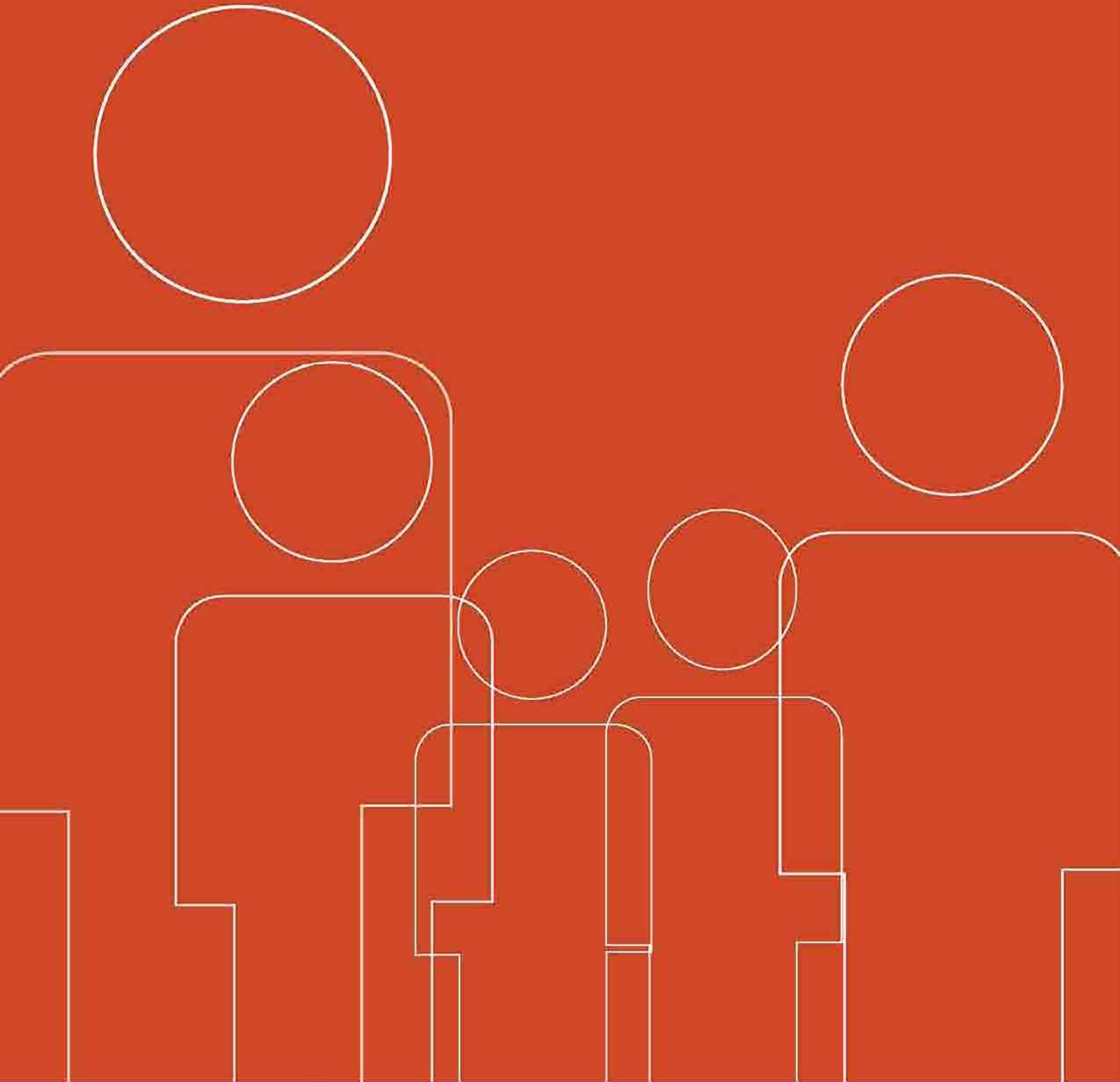
CORPORATE INFO



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. 2,4 & 6, Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur, Malaysia 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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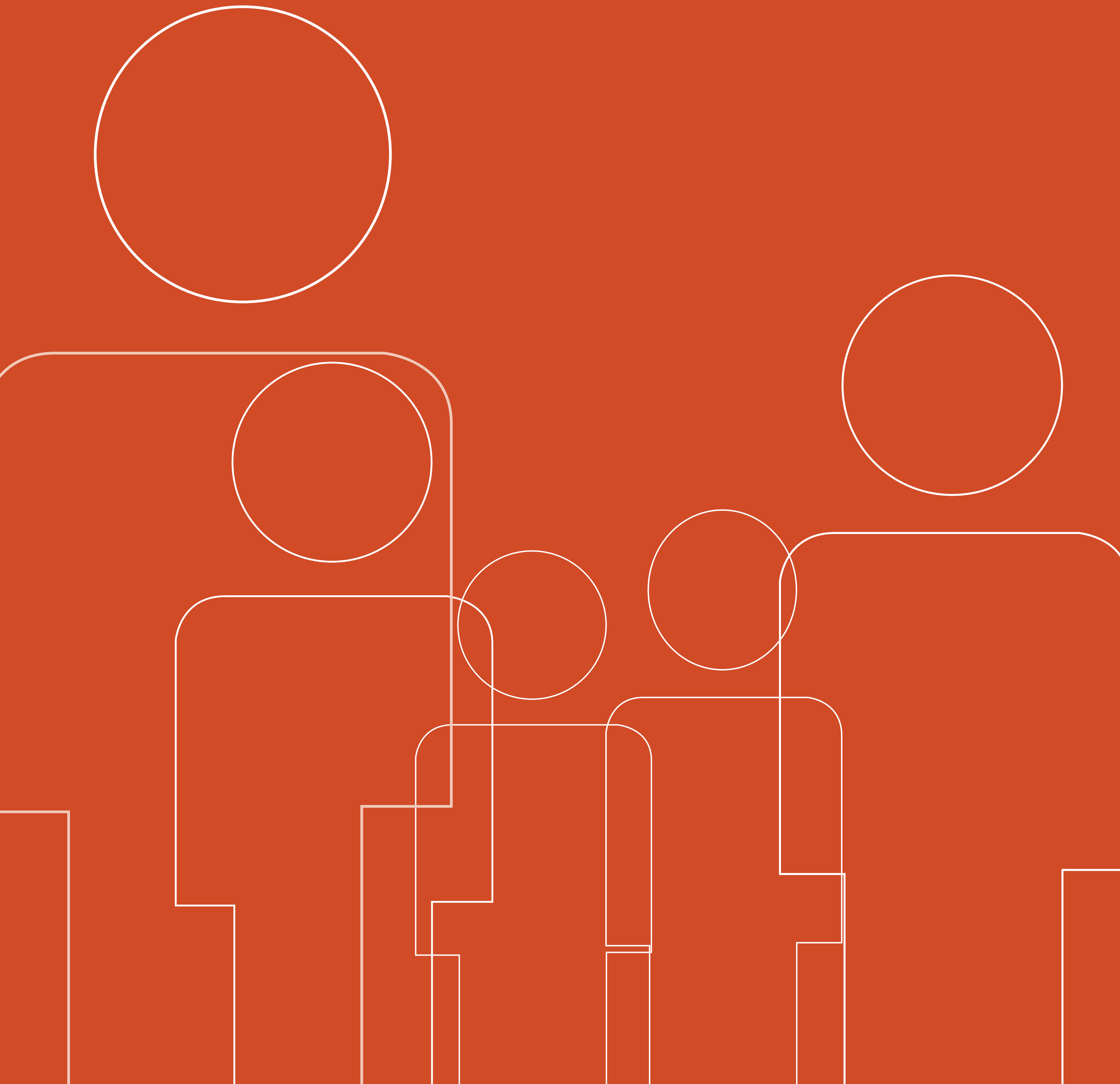
CORPORATE STRUCTURE



CORPORATE STRUCTURE

EDARAN BERHAD

- Edaran IT Services Sdn Bhd
  - Shinba-Edaran Sdn Bhd (Incorporated in Brunei Darussalam) (75%)
- Edaran Lifestyle Trading Services Sdn Bhd
  - PT Linewin (Incorporated in the Republic of Indonesia) (51%)
- Sidic Technology Sdn Bhd
- Edaran Lifestyle Sdn Bhd
- MIDC Technology Sdn Bhd
- Edaran Lifestyle Maintenance Services Sdn Bhd
- Elitemac Resources Sdn Bhd
  - Edaran Communications Sdn Bhd

Note: Unless stated, shareholding is 100%

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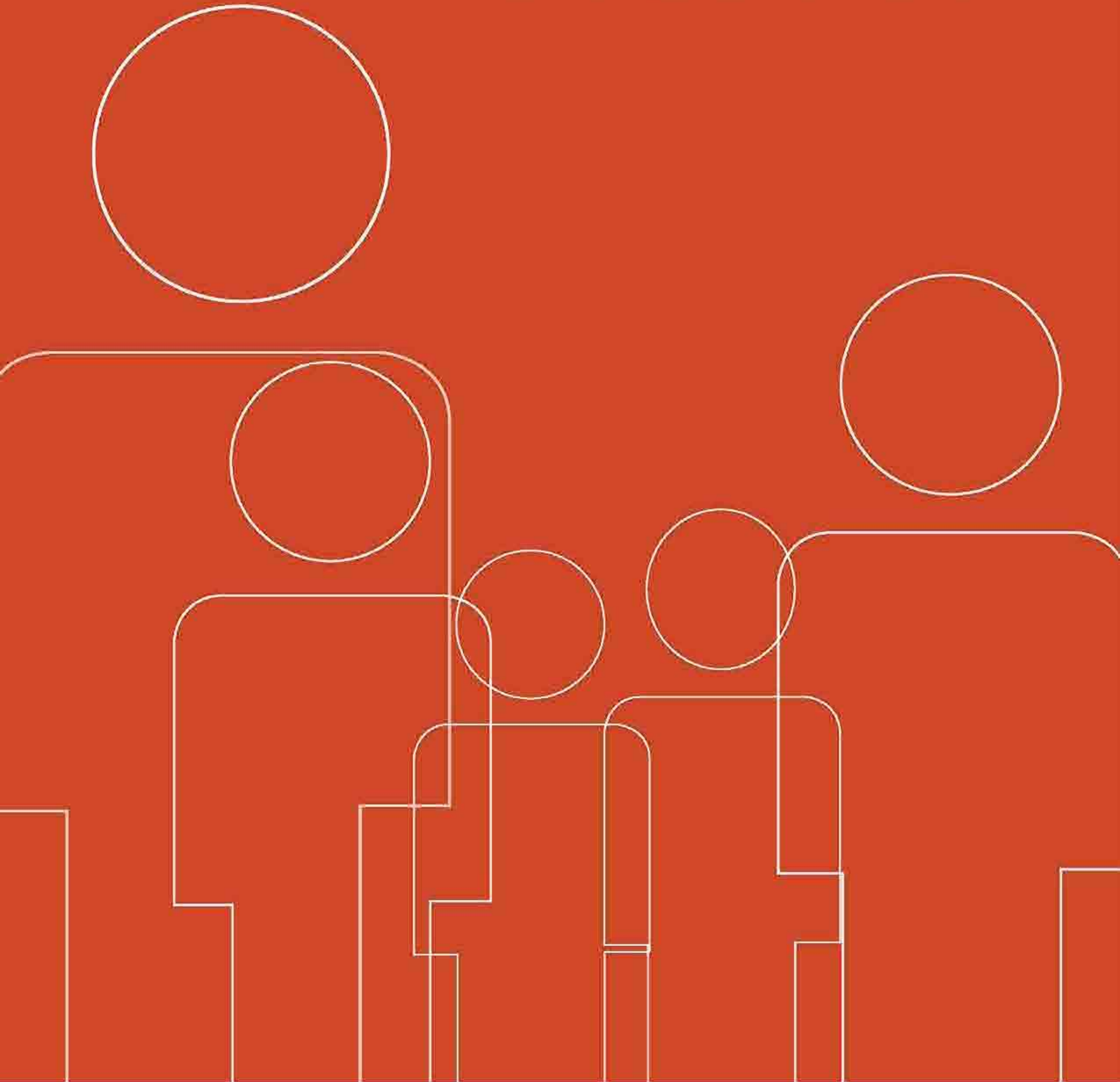
PROFILE OF THE BOARD OF DIRECTORS



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 67, 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 71 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 67, 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.

PROFILE OF THE BOARD OF DIRECTORS

DATO' ABDUL MALEK AHMAD SHAZILI

Independent Non-Executive Director

Dato' Abdul Malek Ahmad Shazili, a Malaysian, aged 66, 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 67, 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 62, 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.

PROFILE OF THE BOARD OF DIRECTORS

DATO' KAMAL MOHD ALI

Non-Independent Non-Executive Director

Dato' Kamal Mohd Ali, aged 53, 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 48, 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 51, 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.

PROFILE OF THE BOARD OF DIRECTORS

DATUK MOHD SHU'AIB ISHAK

Executive Director

Datuk Mohd Shu'aib Ishak, aged 54, 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 38, was appointed to the Board of EDARAN Berhad on 23 May 2006. He was subsequently appointed the Executive Director of the Company on 28 February 2008. He holds an Engineering degree from Imperial College of Science, Technology and Medicine, London. He sits on several private companies, including Kauthar Sdn Bhd and was previously attached to Celcom (Malaysia) Berhad. He is the son of Tan Sri Dato' Tajudin Ramli.

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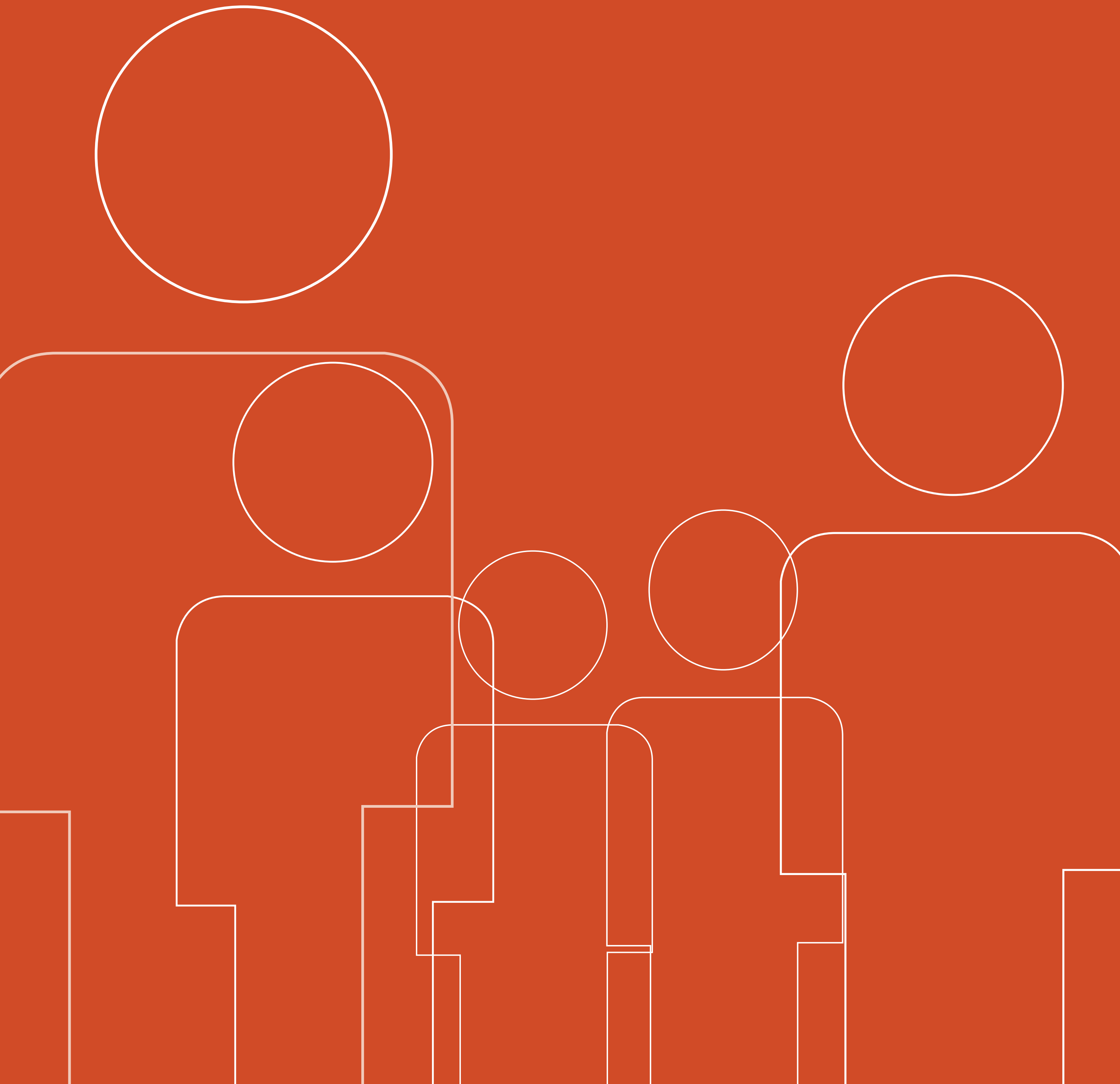
MESSAGE FROM THE CHAIRMAN



NATION BUILDING

Valued Shareholders and Partners

As another financial year for EDARAN Berhad draws to a close, it is once again customary for me to present to you the Company's Annual Report for year ended June 30 2013.

FINANCIAL PERFORMANCE

The Group recorded a total revenue of RM 43.72 million for the financial year in review, a drop of 12.4% from the previous year. Despite a lower revenue, the Group recorded a smaller loss after tax of RM 1.14 million compared to a loss of RM 7.92 million in the previous year.

EDARAN continues to serve its key and long term accounts keeping their vital IT environment relevant and efficient. Edaran IT Services perseveres to bring them up to speed with the needs of their markets as new digital technology continues to change the IT landscape throughout the world. At the same time, the Company looks to growing its new accounts whose budgets, EDARAN recognises, will expand as the business expands. However profit margins of the Group remain small mainly because customer spend has remained low.

WE ARE 25

"...reaching this milestone has little significance unless we see it as a launch pad to take us into the next chapter of the Company's growth and development."

This year marks the Company's 25th year in operation. In retrospect, EDARAN has charted a relatively eventful course since its modest beginnings in 1988 as a vendor of computer hardware. While 25 years as a corporation may not seem a long length of time, this point nonetheless serves as a milestone for us. Yet, reaching this milestone has little significance unless we see it as a launch pad to take us into the next chapter of the Company's growth and development. Indeed, we should like to see this as a point when we review our present strengths, increase our competencies, hone our skills and ready ourselves for the increasingly challenging course ahead.

"...to celebrate our business accomplishments would be meaningless if those accomplishments did not translate to the betterment of the community. Our achievements would be meaningless if they served only the Company's purpose and fail to move the larger society of this country to progress."

MESSAGE FROM THE CHAIRMAN

Like many other corporations who turn 25, we celebrate what is universally called, a silver anniversary. What in fact, do we celebrate? For us, to celebrate our business accomplishments would be meaningless if those accomplishments did not translate to the betterment of the community. Those achievements would be meaningless if they served only the Company's purpose and failed to move the larger society of this country to progress and to a more meaningful life. At EDARAN I would like to say that we are celebrating 25 years of contributing to the communities we serve and work with, all of whom are in essence, our stakeholders. Through the years we have trained our people in various disciplines and skills so that they may in turn render valuable service to customers and indeed to the country at large. And through the years we have been recognised and acknowledged by organisations who share their knowledge and skills with us, organisations who endorse and certify us. We have earned the recognition of organisations like Microsoft and the much reputed CMMI certification from the Software Engineering Institute of Carnegie Mellon University. Edaran IT Services has also received the endorsement of local IT bodies, in particular from the Multimedia Development Corporation of Malaysia. We are officially an MSC status company. These and many more recognitions do not serve our own interest but the interest of our customers and our stakeholders. Ultimately they serve the nation.

As we reach 25, we celebrate all these achievements but more significantly, we celebrate the confidence, dedication and commitment of the people who make the Company. We celebrate our members of the staff, the Board of Directors and our stakeholders especially our customers, our business associates, our partners and our suppliers. Without them EDARAN would not have arrived at this point. And as we celebrate this milestone of the Company, I wish to put on record on behalf of the Board of Directors, my heartfelt thanks to every individual, both within and outside the Company, who has brought us to where we are today.

NATION BUILDING

"EDARAN is aware that it has a duty to build the most important asset of the country – the human asset because nation building begins at the very foundation of the country. It begins with the people."

As we turn 25, we also take this opportunity to remind ourselves of the underlying reason for our being. At the risk of sounding pompous, EDARAN exists because it plays a role in nation building. Not a monumental role maybe but nonetheless, we have a role and a duty in helping to shape this nation. Why nation building?

Essentially, we recognise that mercantilism, which is in effect, economic activity and industry activities to ensure a good balance of trade, is the very pulse of a nation. Throughout history and down the ages, countries have established mercantilism and practised it as a philosophy of nation building. It was mercantilism that fuelled the growth of nations and to this day continues to enable countries to transform their economies and help their citizens to prosper. EDARAN, like many commercial entities in this country, is part and parcel of Malaysia's mercantile system. While on the business level, EDARAN contributes to the nation's gross domestic product, EDARAN is keenly aware that on another level, the human level, it has a duty to build the most important asset of a nation – the human asset. We hold that nation building begins at the very foundation of the country. It begins with building the people.

Since the very inception of this Company, we have lived and will continue to live out one of our most important missions - to invest in people and develop talent. We believe that ultimately, good people build good company and good companies in turn build prosperous nations.

PROVIDING OPPORTUNITIES

As our corporate history goes, EDARAN was established for one, to provide a platform for the unemployed IT graduates during the recessionary years of the mid 80s. It did not end could not stop there. To ensure that these talents continued to improve themselves, EDARAN had to continually pave the way forward. In a mutually enriching manner, EDARAN grew its people and the people grew the Company.

GROWING SKILLS

The possibilities in the IT industry remain infinite as the applications of IT spread its hold on societies and the world. IT has touched almost every aspect of life – governments, business, education, medicine, sports, entertainment, the arts, recreation and any other activity one can think of. It has long been recognised that IT will be a pivotal enabler in all fields. Computer and IT engineers are constantly wracking their brains to invent hardware and tap the capabilities of software. EDARAN is a part of this universe of knowledge and knowledge application. It is imperative that the skills found within EDARAN must be adequate and continually upgraded in order for us to stay relevant. EDARAN will continue to make that its obligation - to build people and hence to build nation.

MESSAGE FROM THE CHAIRMAN

SHAPING VALUES

"..as we continue to stress professional development, we will also lay emphasis on the development of the human character. As a company, our noblest contribution to the nation, beyond our contribution to the GDP, would be the shaping of a moral people, individuals moulded by good practices and values."

It has once been said by a statesman that to educate a man in mind and not in morals is to educate a menace to society. EDARAN is acutely aware of the need to educate its people on two levels of their being – their intellect and their values. As we often remind ourselves, we aim to be a company of values not merely a company of success. Hence as we continue to stress professional development, we will also lay emphasis on the development of the human character. It is our aim to maintain and inspire a culture of respect, honesty, integrity, sincerity, trustworthiness, and discipline in what we do and with whom we interface. Essentially we aim to weave into our work and professional culture the principle of 'habliminninAllah wa habliminninnas' which calls us to relate correctly to all around us, human beings, creatures and nature alike, as we should relate to Allah, the Creator of all.

As a company, our noblest contribution to the nation, beyond our contribution to the GDP, would be the shaping of a moral people, individuals moulded by good practices and values. We look to building our people into good and quality citizens who can contribute effectively not only to the company they serve but ultimately to the country. That in effect is what we mean by nation building.

CORPORATE SOCIAL RESPONSIBILITY

"Social responsibility at EDARAN begins with its belief in ethical practices in business and delivering value to its stakeholders."

While EDARAN engages in the usual corporate philanthropy which essentially relates to monetary donations to needy local communities such as orphanages, schools and less fortunate families, the Company believes that social responsibility should be founded on a more enduring platform than on random acts of monetary assistance. Social responsibility at EDARAN begins with its belief in ethical practices in business and delivering value to its stakeholders. This belief underpins all of the Company's efforts to instill in its work culture an inherent sense of responsibility and commitment to deliver its promises to stakeholders.

"Companies must strive to be successful and profitable in order to create jobs, income, wealth and ultimately a prosperous community."

We subscribe to the school of thought which holds that corporate success and social welfare are interlinked and interdependent. At the most fundamental level, companies have a social responsibility to be profitable. Companies must strive to be successful and profitable in order to create jobs, income, wealth and ultimately a prosperous community. In essence we subscribe to the philosophy of creating shared value.

Creating shared value in our books extends to doing our bit for the environment, respecting it and making it that much more liveable and sustainable. Whatever the business activity of the Group, we have continued to advocate the practice of minimising destruction. We believe that putting a little more thought into the way we conduct our most mundane activities whether it is in disposing a piece of computer hardware, connecting a cable or even selecting building material for an office space. We realise that a thought-through action leads to better results and minimises destruction to the environment.

Our philosophy is plainly practiced in our subsidiary company PT Linewin, whose principal activity revolves around the manufacturing and marketing of timber based products. PT Linewin practises strict environment principles of reduce, reuse and recycle. The Company, ever mindful of the overall negative effects of bad manufacturing practices on the environment, adopts responsible measures in their factory processes from the point of harvesting the trees to managing waste products. Residue timber is converted to usable products, instead of burning them down to ashes.

MESSAGE FROM THE CHAIRMAN

PROSPECTS AND OUTLOOK

"Does the industry remember that as it advances and progresses, there is a moral responsibility to see that the communities it serves also progresses accordingly? Has IT made life better for the fisherman or the rural farmer?"

Allow me the audacity to say that before we even assess the prospects of the industry and the Company, the industry and IT companies must first and foremost remember that they owe it to the larger community to bring real and palpable contributions to their lives. Does the industry remember that as it advances and progresses, there is a moral responsibility to see that the communities it serves also progresses accordingly? IT companies cannot claim to have truly progressed until and unless the people and communities around them have also benefited from their progress. Has IT helped to make life better for the fishermen or the rural farmer? Have their lives become more convenient and their profession more productive and profitable because of IT?

That, I believe is just as important an aspect of prospects and outlook that IT companies should be concerned about, not only company profits.

Although the market is not over promising, EDARAN will continue to seek out new business. It believes that there are pockets of growth within the local IT industry. EDARAN feels optimistic that these yet untapped areas will remain buoyant and is confident that there are business opportunities to claim. Small and medium sized enterprises continue to be one of the target markets of the Company.

In its non-IT businesses, the Group continues to explore fresh markets for its timber based business division in Sumatra. P.T Linewin sees growing potential in its neighbouring markets in South East Asia as demand for various types of timber based products continue to be promising.

Overall, the company remains optimistic about its future performance despite the setbacks it faced over the financial year in review. EDARAN believes that it will yet be able to overcome these temporary setbacks and return to a healthy state of performance. Above all EDARAN will continue to do its best to bring positive impact on the society at large.

APPRECIATION

I wish to once again thank all our stakeholders for their contribution to the Group. I deeply appreciate the support of our valued customers, our business partners and financiers without whom we have no reason to be.

To my fellow members of the Board, thank you for your guidance and support.

And last but not least, to the members of the Management and the Staff, my sincere thanks and appreciation to each and everyone of you for the continued dedication and commitment. Your perseverance and faith in this Company makes it meaningful for us to celebrate this milestone year. Happy anniversary.

Yours sincerely

Tajudin Ramli

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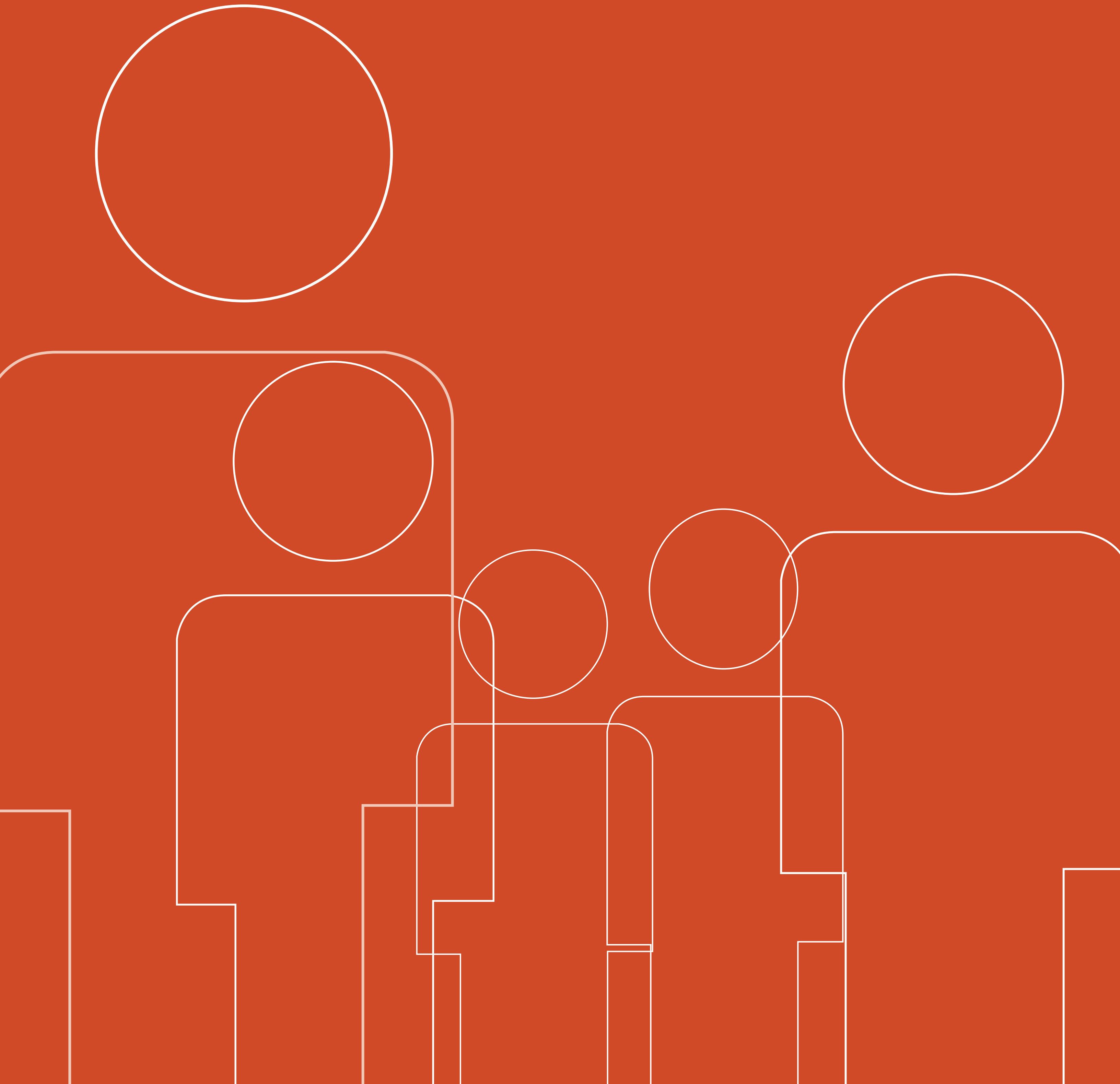
EDARAN - 25 YEARS AND MOVING ON




edaran
25 years in Nation Building

EDARAN
25 Years In Nation Building and Moving On

IN THE BEGINNING...

It began with a single-minded business objective, apt for its time - to participate in the growing business of pushing computers into the market. Edaran Komputer then, was what its name described it to be - a distributor of computers. But that spelt only its apparent business objective. The formation of Edaran Komputer was, in fact, enveloped in many more stratums of objectives besides its commercial and business intentions.

25 years ago when EDARAN, as the Group is now collectively known, first entered the country's business arena, IT in Malaysia was in its infancy making its presence felt only in the crucial and relevant departments of established and large organisations. Back then, computers were a novelty, a status symbol of organisations. Owning a mainframe, to some extent, meant the organisation had made it to the big league. The provision of personal computers to employees was the privileged practice of sophisticated companies with an edge. These were staffed by knowledgeable individuals. These were companies which emphasised efficiency and productivity, most of them multi-national entities with bigger budgets than their local counterparts. The limited use of computers in organizations was basically premised on two simple reasons - costliness of the hardware and lack of software skills and computer knowledge.

HEEDING THE NATION'S CALL

Edaran Komputer was quick to recognise the country's efforts to push for a greater degree of IT in industries as well as in the public sector. But the late 80's was also a time when the country was experiencing an economic downswing. While universities recognized the imminent need for a higher level of computerization and were therefore churning out IT graduates briskly, the number of IT graduates far exceeded what companies could absorb during the recession years.

Edaran Komputer was established in 1986 and immediately recognised that its mission was two-fold. To answer the nation's call to increase the level of IT in industries and equally urgent, to provide a promising avenue to absorb the growing number of unemployed IT graduates. Thus began its journey towards nation building. It would begin with building its people, its employees.

CHAMPIONING PROGRESS THROUGH IT

From its humble beginnings as a computer hardware distributor, EDARAN would eventually grow to become a full fledged IT company, etching itself a respectable position within the Malaysian IT sector. Progressing from that point of merely vending hardware, Edaran Komputer grew its expertise and expanded its services to include the provision of systems integration and systems maintenance services.

EDARAN chalked a major milestone in its corporate growth when it was successfully listed on the main board of the Bursa Malaysia Securities Berhad in June 2001. Entering the public market marked a turning point for EDARAN. While becoming public-listed firmly entrenched EDARAN as a committed IT company in the country, it also meant EDARAN had to step up on its competitiveness. Its list of customers which included Kontena Nasional, Tenaga Nasional Berhad, Malaysia Airline System, institutions of higher learning and most significantly, Kastam DiRaja Malaysia (which remains a customer till the present day) was strong testimony of its credibility and capabilities. Moving forward EDARAN understood that it would have to prove its mettle by successfully breaking into new territories and markets.

Edaran Komputer would continue to stay ahead of the IT knowledge curve, keeping its people skilled and adept in advanced computer technology, keeping itself relevant with the times. Ultimately, Edaran Komputer would expand its services into the area of smart solutions and software application, prompting a change to the name of its IT division. Edaran Komputer was effectively renamed Edaran IT Services in 2008 to better reflect the company's core activities. Meanwhile, the Group's scope of activities was expanding. EDARAN successfully extended its presence in the region. Teaming up with Shinba Technology of Brunei Darussalam, Shinba-Edaran was set up in 2006 in Bandar Seri Begawan.

25 YEARS STRONG AND MOVING FORWARD

25 years on and firmly entrenched in the industry, EDARAN stands among the country's leading IT enterprises, serving to move the nation forward by continuing to bridge the digital divide. The Company continues to evolve, anticipating the changing needs of the market and the customer through continual knowledge and skills updates, training, acquiring professional certifications and establishing smart partnerships with world leaders and innovators in IT.

As a provider of IT services, EDARAN has persevered in making headway in both the public and private sectors. The Company has broken into key areas including critical sectors such as education, health, forestry and agriculture, helping to raise the overall IT competency of these sectors, and therefore their overall efficiency and respective contribution to the advancement of the nation. Similarly EDARAN has reached out to progressive small and medium enterprises who believe that IT solutions are indispensable in a connected world.

BUILDING PEOPLE BUILDING NATION

Through its journey of growth and progress, EDARAN remained mindful of its duty and responsibility to continually educate and build its people, holding to its belief that progressive communities are made up not just of knowledgeable individuals but more importantly, knowledgeable individuals who embrace good values.

As a corporate citizen, EDARAN understands that it owes it to its employees to continually upgrade their knowledge, competencies and skills. In essence, it owes it to them to keep them useful, marketable and valuable to the industry, wherever they may serve. Nevertheless keeping them updated and skilled in their jobs is only half the story. It was just as necessary to instill in these individuals personal and work ethics that made them good and responsible employees. EDARAN believes that a valuable employee is an employee with values.

Valuable Individuals

As a fully functioning commercial business and as a corporate citizen, EDARAN takes cognizance of its responsibility towards the nation. How should it contribute? Like all corporate and business entities, EDARAN aims to play its part in raising the country's gross domestic product and invariably help to improve the nation's standard of living and the people's quality of life. But EDARAN also holds that merely contributing to GDP is not enough. Indeed, the development of people, effectively, a knowledgeable people with good values completes the equation in nation building. Hence, weaved into EDARAN's work culture are principles that place equal emphasis on the Company's business and financial performance as well as the development of the individual as a fully responsible, respectable and principled human being. Fundamentally EDARAN adheres to a Charter that recognizes the relationship between all that is created by the one Supreme God and man's role as part of creation whether as an individual or as a corporate body. This fundamental philosophy pans out to the core principles and values upheld by EDARAN, most of all being committed to stakeholders, delivering upon its promises, delivering quality, applying knowledge for the benefit of the customer.

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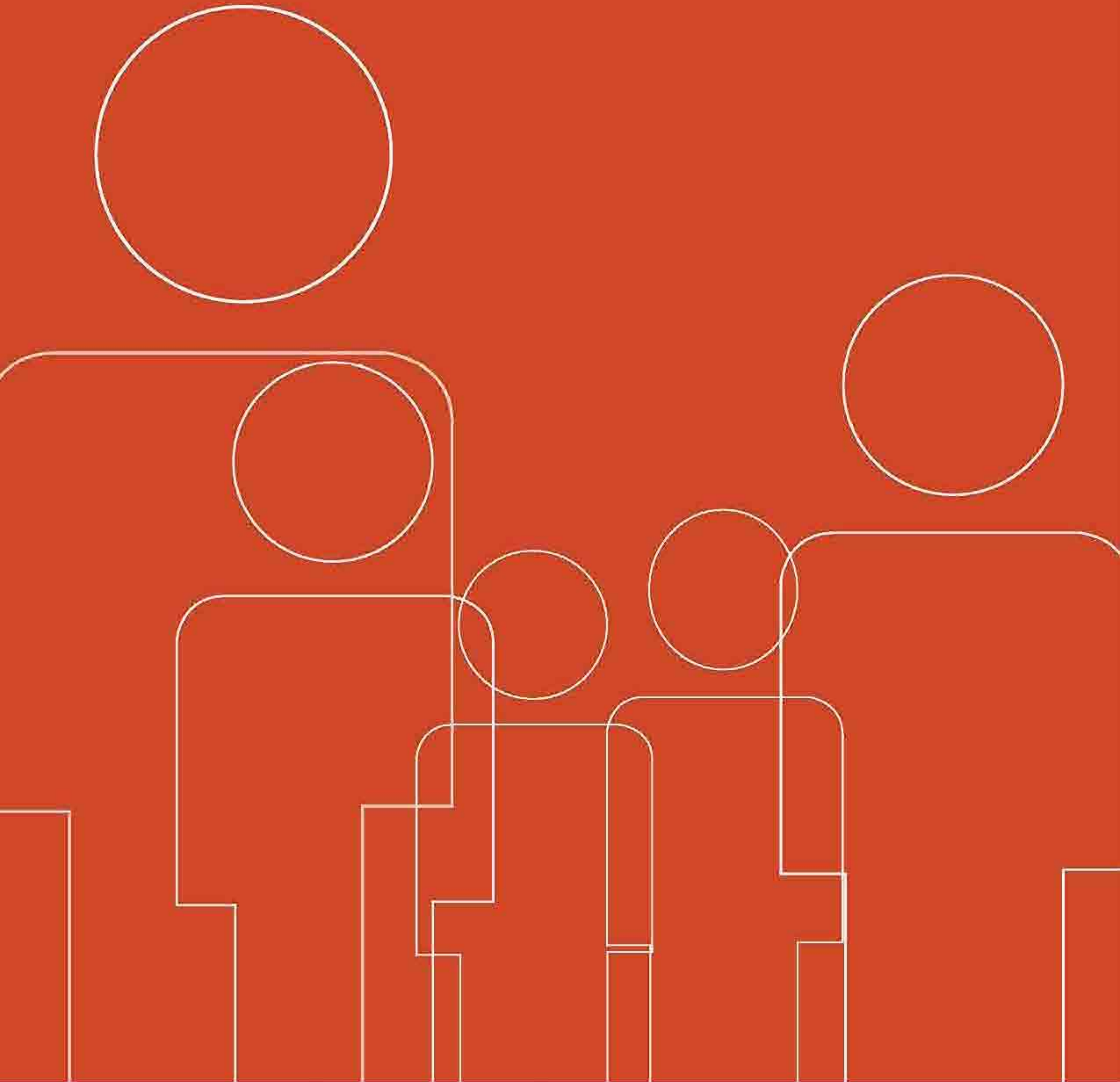
FINANCIAL HIGHLIGHTS

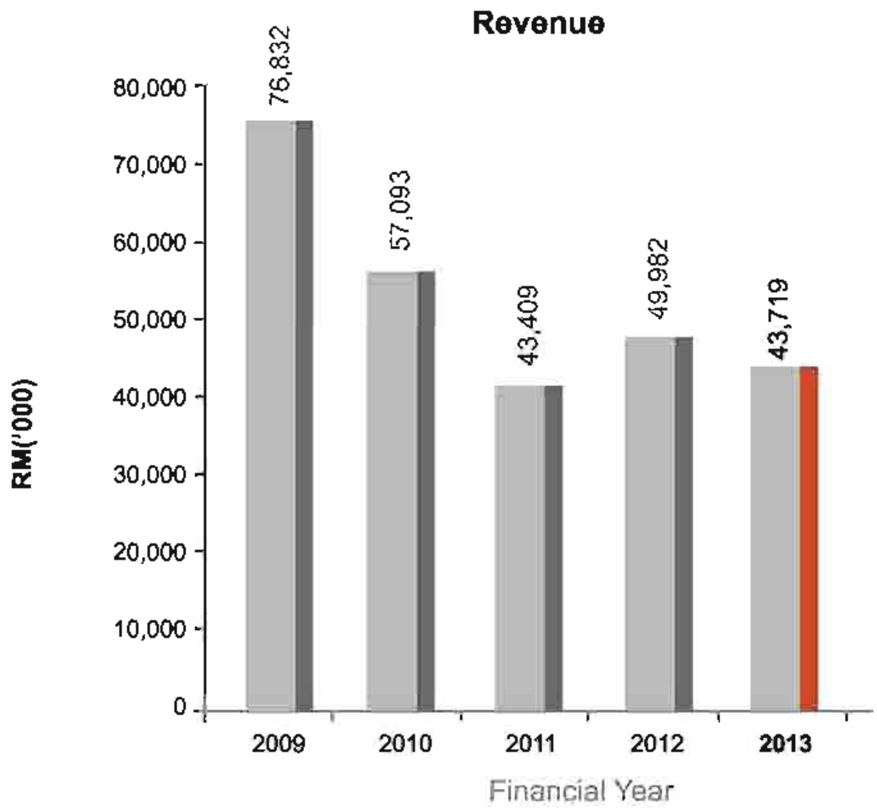


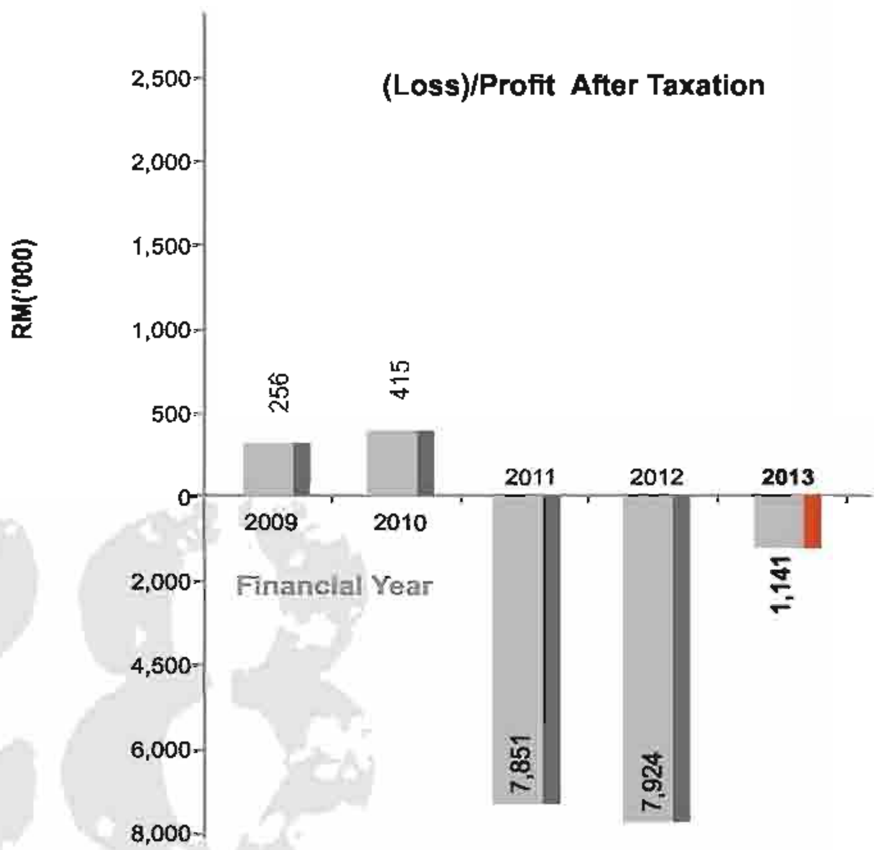
FINANCIAL HIGHLIGHTS
as at 30 June 2013

Five Years Group Financial Highlights

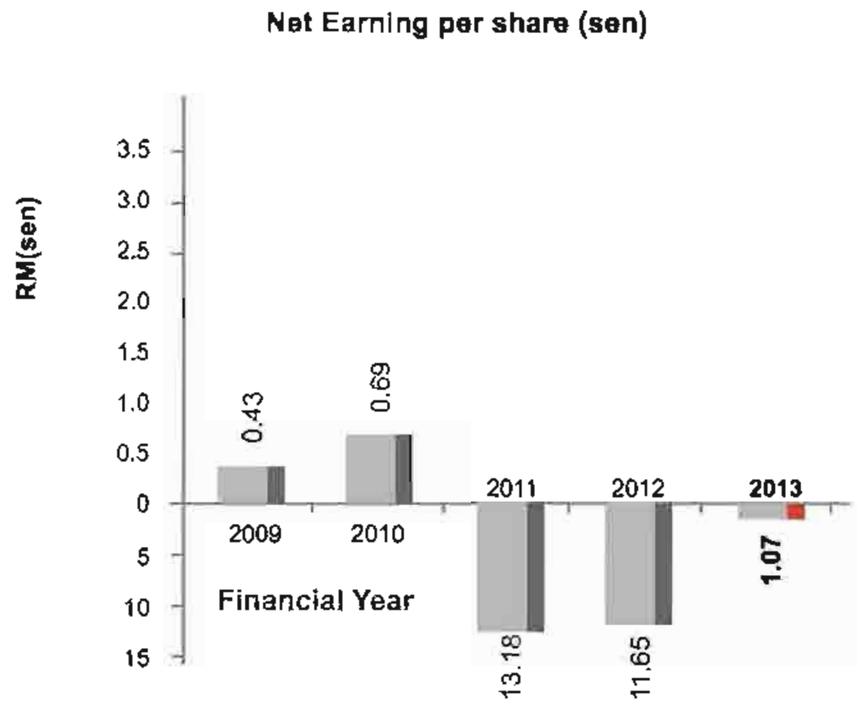
	2013 (RM'000)	2012 (RM'000)	2011 (RM'000)	2010 (RM'000)	2009 (RM'000)
INCOME STATEMENT					
REVENUE	43,719	49,982	43,409	57,093	76,832
Profit before taxation	(1,141)	(7,924)	(8,501)	54	103
Taxation	-	-	200	361	153
Profit after taxation	(1,141)	(7,924)	(7,851)	415	256
Net Earnings per share (sen)	(1.07)	(11.65)	(13.18)	0.69	0.43
BALANCE SHEET					
Shareholders' Fund	37,569	38,047	40,219	48,305	48,394
Net Current Assets	11,270	10,615	7,581	17,852	23,667
Total Assets	54,490	60,108	56,184	68,273	77,110
Long Term Debts	2,690	2,797	1,279	1,172	1,967
Net Assets per share (sen)	63	63	67	81	81

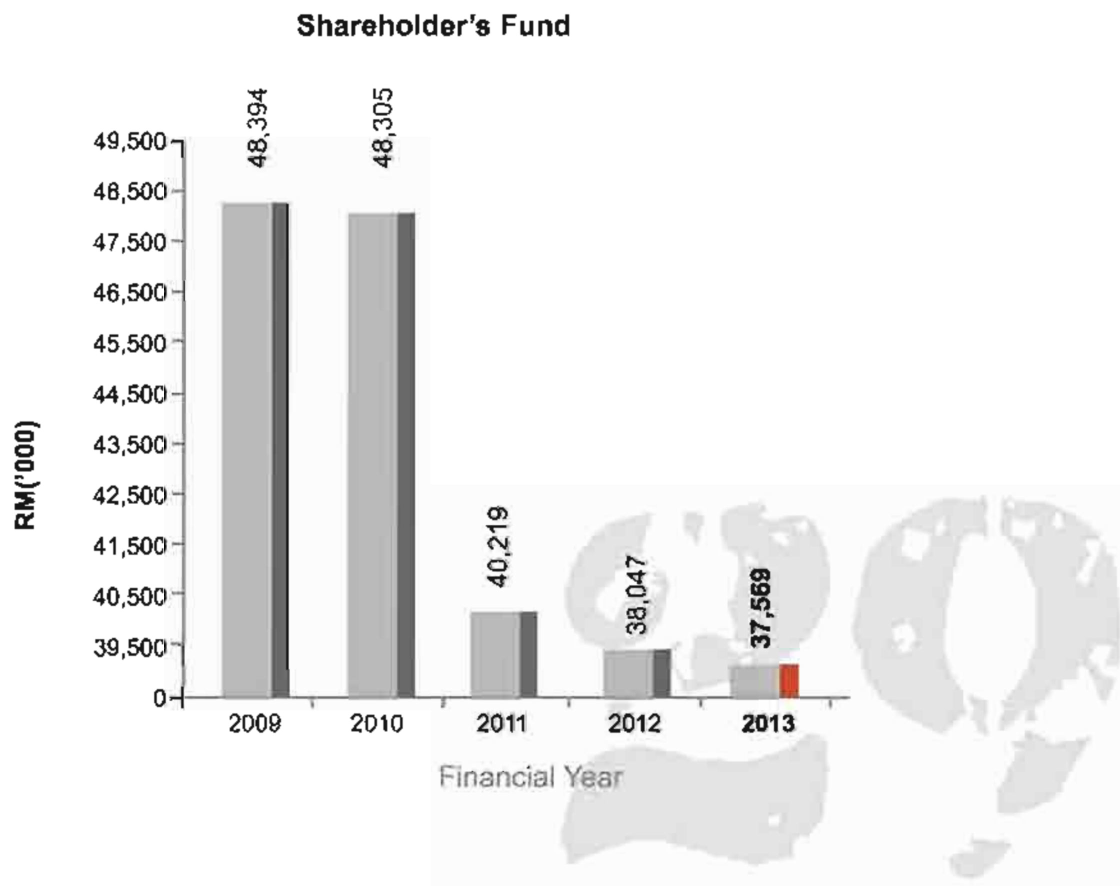
FINANCIAL HIGHLIGHTS
as at 30 June 2013



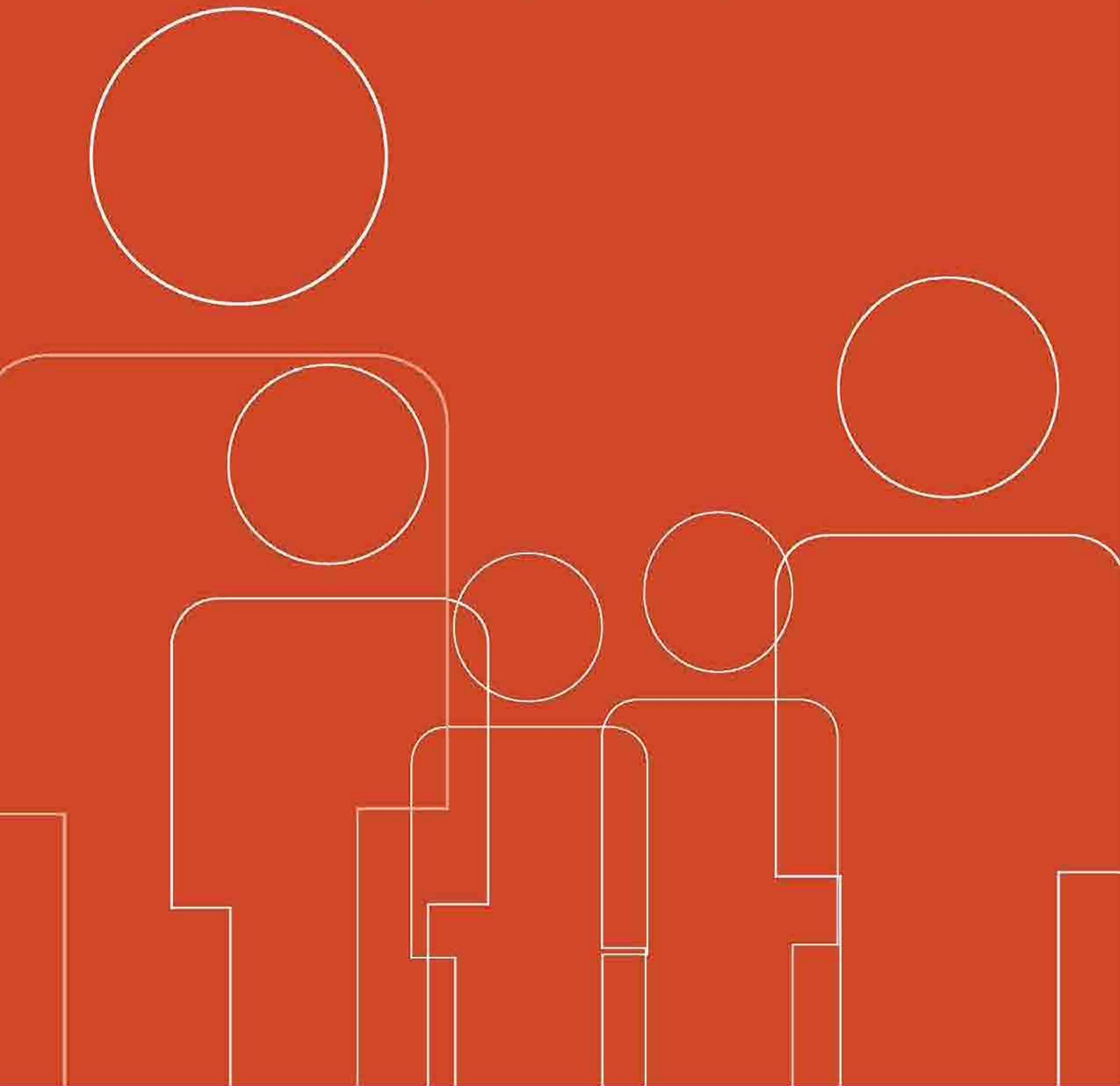


FINANCIAL HIGHLIGHTS
as at 30 June 2013





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 Recommendations in Corporate Governance established by the Malaysian Code on Corporate Governance 2012 ("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.

The Board acknowledges its responsibility to comply with the Code. Currently, the Company has complied with the Code except for the recommendation for the Board to comprise a majority of independent directors where the chairman of the Board is not an independent director.

Moving forward, the Company will strive to comply with all the Principles and Recommendations of the Code. The Company is committed to disclose its corporate governance practices.

1. BOARD OF DIRECTORS

Composition of the Board

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

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

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

Duties and Responsibilities of the Board

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

Board Meetings and Supply of Information

Board meetings are held regularly, at least once every quarter when reports on the financial and operational performance are tabled for review. The Board also evaluates corporate proposals that may give significant financial impact to the Group such as capital expenditure and acquisitions or disposals of assets. During the financial year ended 30 June 2013, the Board held five meetings. All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the Bursa Securities Main Market Listing Requirements. The details of the Directors' attendance are laid out in the Statement Accompanying Notice of Annual General Meeting.

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

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

Appointments and Re-election of Directors

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

Chairman	: Dato' Hj Abdul Hamid Mustapha
Members	: Datuk Emam Mohd Haniff Emam Mohd Hussain Dato' Abdul Halim Abdullah Dato' Lim Kheng Yew

The Nominating Committee's responsibilities are as follows:

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

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

Directors' Training

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

On 16 January 2013, members of the Board convened for a session with the senior executives of the IT Division of the Group to learn about innovations in the social media, particularly the latest trends and technology in security measures on the web and the internet. The IT Division deemed it crucial that the Board is updated on areas such as perimeter security, data protection and identity verification, all of which are applications that are required and highly demanded in any IT system of organisations and institutions. In a session dedicated to new technology, members of the Board were introduced to latest trends in IT gadgets and tools that are making their way into the IT environment.

The Board was also enlightened on the Division's flagship products and market segment focus going forward. The session enabled the Board of Directors to deliberate on the marketing strategies. The session benefited both the Board and the Division as the discussions triggered valuable input from the Board.

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.

Board Independence Assessment

The Code recommends the Board to undertake an assessment of its independent directors. In line with the recommendation, the Board's standards for determining the independence of a director are set in the Board Charter and the Board shall conduct an annual self evaluation.

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 26 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, 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.

5. SUSTAINABILITY

The Company will pursue its success and prosperity only through acceptable and justifiable means, mindful always to others and of the environment pursuant to the Code.

The Company's philosophy established in the Group Charter is adopted as a way to conduct the business and to achieve sustainability.

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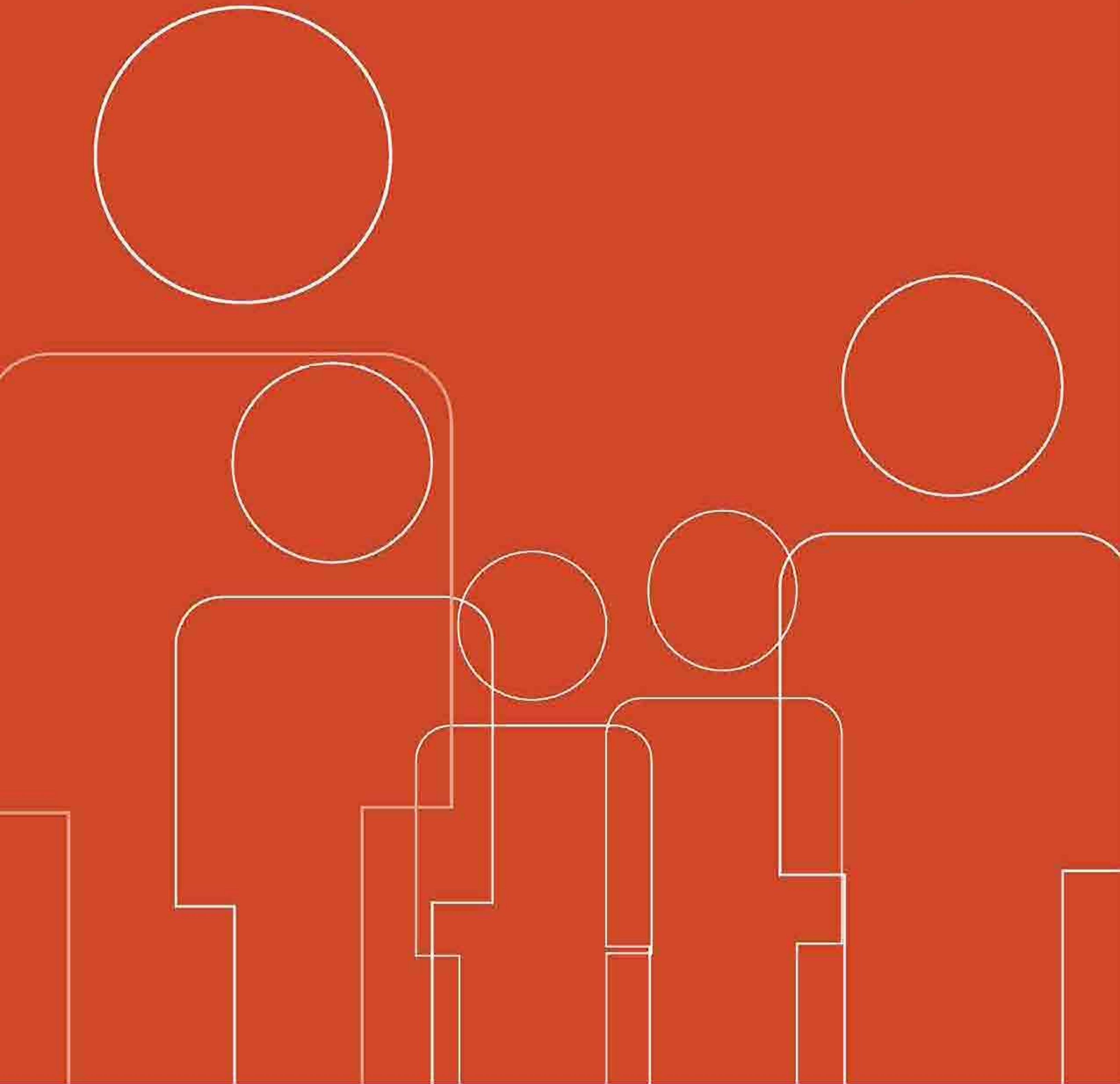
AUDIT COMMITTEE REPORT



AUDIT COMMITTEE REPORT

1. COMPOSITION

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

2. SECRETARY

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

3. ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR

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

Meeting No.	Date	Time
03-12	15 August 2012	10.00 a.m
04-12	17 October 2012	10.00 a.m
05-12	21 November 2012	10.00 a.m
01-13	27 February 2013	10.00 a.m
02-13	30 May 2013	10.00 a.m

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

Composition and Name of Members	Attendance at Meetings
Dato' Abdul Halim Abdullah Chairman / Independent, Non-Executive Director	5 of 5
Datuk Emam Mohd Haniff Emam Mohd Hussain Member / Senior Independent, Non-Executive Director	5 of 5
Dato' Lim Kheng Yew Member / Independent, Non-Executive Director	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 2012.
- Reviewed the draft announcements to the Bursa Malaysia Securities Berhad on the quarterly report of the Group for the financial quarters ended 30 June 2012, 30 September 2012, 31 December 2012 and 31 March 2013.

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.

- 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 2013 was approximately RM74,000.

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 2013, the Internal Audit carried out reviews in accordance with the annual audit plan. The annual audit plan had taken into cognizance, the Group's objectives and business strategies. The Internal Audit also conducts ad hoc assignments and special reviews as instructed by the Audit Committee as and when necessary. Recommendations for improvements were put forward for implementation by the Management.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT AND 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.
- 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 2013 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.

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ADDITIONAL COMPLIANCE STATEMENT

ADDITIONAL COMPLIANCE STATEMENT

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

1. **Directors (as at 30 September 2013)**
   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 30 September 2013)**
   None of the Directors has been convicted for offences within the past ten years other than traffic offences, if at all there was any.

4. **Conflict of Interest (as at 30 September 2013)**
   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 30 September 2013).**
   During the financial year, the Group did not sponsor any ADR or GDR programme.

8. **Imposition of Sanctions and/or Penalties (as at 30 September 2013)**
   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 fiinancial year ended 30 June 2013.

10. **Variation in Results**
    There was no variance between the audited result and the unaudited result of the Group previously announced for the financial year ended 30 June 2013.

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. **Revaluation Policy on Landed Properties**
The Group has adopted a policy of regular revaluation on its landed properties in the financial year as disclosed in Note 3 of the Financial Statements.

15. **List of Properties**
The list of properties is stated on pages 114 to 115 of this Annual Report.

16. **Related Party Transactions - Para 10.09 of the Bursa Securities Listing Requirements**
Details of the transactions with related parties undertaken by the Group during the period under review are disclosed in the Listing Compliance Status laid out in this statement and Note 32 of the Financial Statements.

Listing Compliance Status

A. **Shareholding**
The majority of Edaran Berhad (EDARAN) shares are held by Bumiputera shareholders and details of the shareholdings as at 30 September 2013 are as follows:

MONTH	NO. OF SHARES	% OF PAID-UP CAPITAL
MALAYSIAN		
Bumiputera	51,678,700	86.13
Non-Bumiputera	8,129,262	13.55
Total Malaysian	59,807,962	99.68
FOREIGN	192,038	0.32
TOTAL	60,000,000	100.00

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

C. **Overdue Debts**
As at 30 June 2013, the amount owing from net trade debtors is approximately RM3.56 million (RM5.31 million FY 2012) of which the amount over the 365 days period is approximately RM69 thousand (RM35 thousand FY 2012).

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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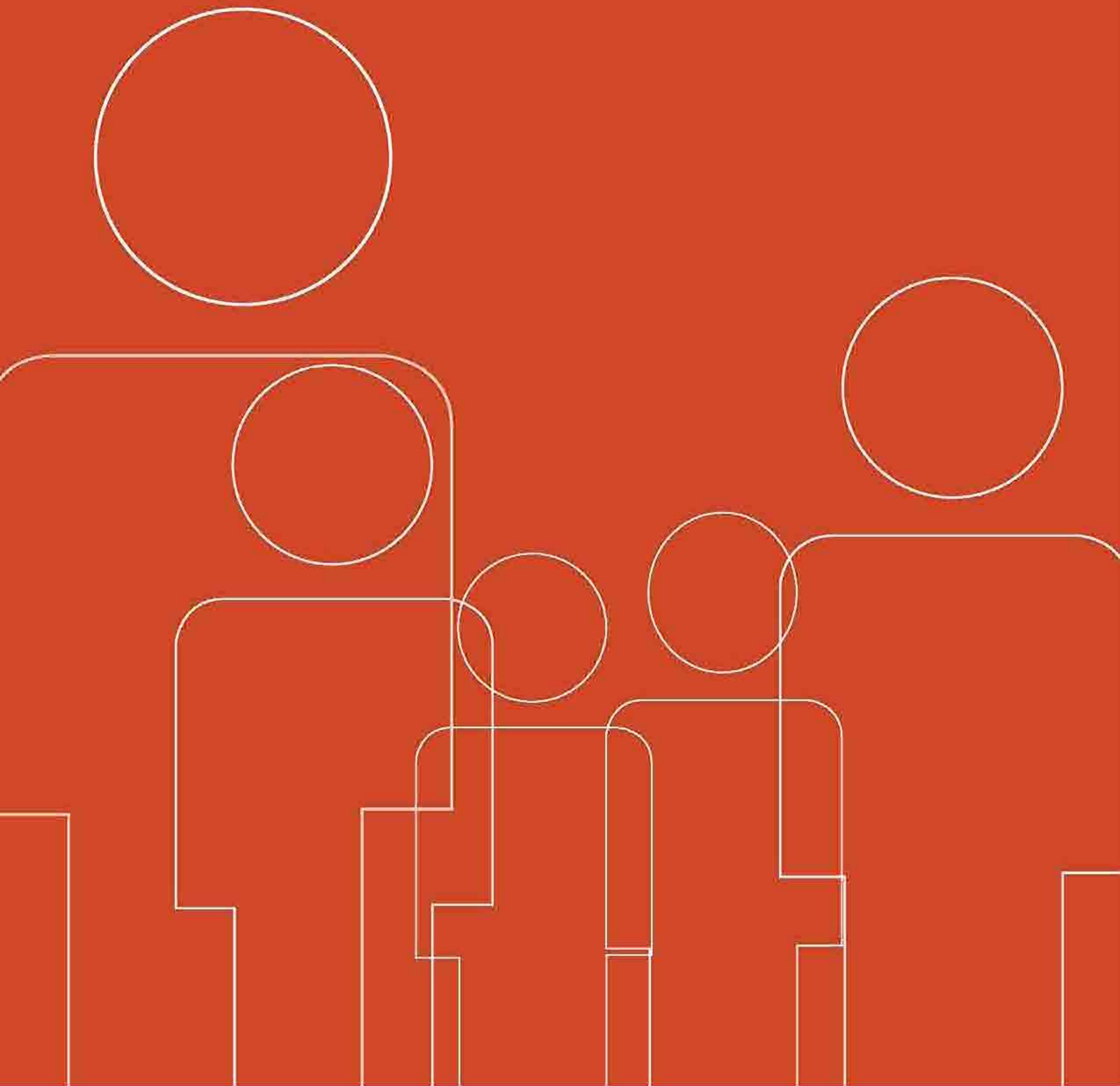
FINANCIAL STATEMENT



CONTENTS

DIRECTORS' REPORT

The Directors of **EDARAN BERHAD** are pleased to submit their report and the audited financial statements of the Group and of the Company for the year ended 30 June 2013.

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

RESULTS OF OPERATIONS

	Group RM	Company RM
Loss for the year	1,140,813	3,665,784
Attributable to:		
Owners of the Company	619,005	3,665,784
Non-controlling interest	521,808	-
	1,140,813	3,665,784

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 2013, 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 18 to the financial statements.

SHARE OPTIONS

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

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

OTHER 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
Azlan Mohd Agel

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 each			
	As at 1.7.2012	Bought	Sold	As at 30.6.2013
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)	4,730,832	-	-	**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.

DIRECTORS' REPORT

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

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

Dato' Abdul Halim Abdullah

Dato' Bistamam Ramli

Kuala Lumpur
29 October 2013

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 54 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 2013 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
29 October 2013

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 54 to 108, 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 29 October 2013)

DATO' BISTAMAM RAMLI

Before me,

Commissioner for Oaths

AUDITORS' REPORT

McMillan Woods Mea (AF001995)
Chartered Accountants
305 (Suite 2) Block E, Phileo Damansara 1, 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 2013 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 54 to 108.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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 7 to the financial statements;

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 and is not part of the financial statements. 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
AF001995
Chartered Accountants

Jay Julian A/L Jaya Thalagah
2692/12/13 (J)
Chartered Accountant
Partner

Petaling Jaya
29 October 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	Note	2013 RM	2012 RM	01.07.2011 RM
ASSETS				
Non-current assets				
Property, plant and equipment	5	**26,379,168**	28,022,556	22,258,987
Investment property	6	**-**	-	8,645,144
Intangible asset	8	**-**	-	2,166,355
Other investment	9	**1**	2,201	2,051
		26,379,169	28,024,757	33,072,537
Current assets				
Inventories	10	**6,896,744**	3,555,192	127,142
Amount due from customers on contracts	11	**4,163,812**	3,275,309	4,047,634
Trade and other receivables	12	**6,026,457**	7,284,364	8,712,564
Tax recoverable		**-**	-	362,500
Deposits with licensed banks	13	**10,507,053**	7,699,590	8,244,674
Cash and bank balances		**517,010**	1,623,875	1,616,769
Asset held for sales	6	**-**	8,645,144	-
		28,111,076	32,083,474	23,111,283
TOTAL ASSETS		**54,490,245**	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	60,000,000
Share premium	15	**8,022,580**	8,022,580	8,022,580
Treasury shares	16	**(1,049,536)**	(1,049,536)	(1,049,536)
Revaluation reserve	17	**5,900,533**	5,955,034	1,224,926
Translation reserve	18	**(198,736)**	(314,054)	(79,092)
Available-for-sale ("AFS") reserve	19	**-**	2,199	2,049
Accumulated loss		**(35,106,068)**	(34,568,815)	(27,901,803)
		37,568,773	38,047,408	40,219,124
Non-controlling interests		**(2,609,470)**	(2,204,010)	(845,155)
Total Equity		**34,959,303**	35,843,398	39,373,969
Non-current liabilities				
Deferred tax liabilities	20	**1,962,047**	1,989,298	-
Borrowings	21	**728,296**	807,520	1,279,439
		2,690,343	2,796,818	1,279,439
Current liabilities				
Amount due to customers on contracts	11	**806,561**	2,469,945	1,261,809
Trade and other payables	23	**11,147,698**	15,402,590	11,250,689
Borrowings	21	**4,886,340**	3,595,480	3,017,914
		16,840,599	21,468,015	15,530,412
Total liabilities		**19,530,942**	24,264,833	16,809,851
TOTAL EQUITY AND LIABILITIES		**54,490,245**	60,108,231	56,183,820

See accompanying notes to the financial statements

STATEMENT OF FINANCIAL POSITION
as at 30 June 2013

	Note	2013 RM	2012 RM	01.07.2011 RM
ASSETS				
Non-current assets				
Property, plant and equipment	5	**5,058,505**	5,858,008	6,673,508
Investment in subsidiaries	7	**36,571,964**	32,528,371	29,030,734
Amount due from subsidiaries		**-**	-	18,773,947
		41,630,469	38,386,379	54,478,189
Current assets				
Trade and other receivables	12	**263,846**	204,221	153,507
Tax recoverable		**-**	-	362,500
Dividend receivable		**1,600,000**	-	-
Cash and bank balances		**5,340**	39,962	40,848
		1,869,186	244,183	556,855
TOTAL ASSETS		**43,499,655**	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	60,000,000
Share premium	15	**8,022,580**	8,022,580	8,022,580
Treasury shares	16	**(1,049,536)**	(1,049,536)	(1,049,536)
Accumulated loss		**(52,935,932)**	(49,270,148)	(31,743,746)
Total equity		**14,037,112**	17,702,896	35,229,298
Current liabilities				
Trade and other payables	23	**29,462,543**	20,927,666	19,805,746
TOTAL EQUITY AND LIABILITIES		**43,499,655**	38,630,562	55,035,044

See accompanying notes to the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

		ATTRIBUTABLE TO OWNERS OF THE COMPANY									
		Non-distributable									
	Note	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Translation Reserve RM	AFS Reserve RM	Treasury Shares RM	Accumulated Losses RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
At 1.7.2012											
As previously reported		60,000,000	8,022,580	5,955,034	(314,054)	2,199	(1,049,536)	(34,568,815)	38,047,408	(2,204,010)	35,843,398
Loss on changes in fair value of available-for-sale investments		-	-	-	-	(2,199)	-	-	(2,199)	-	(2,199)
Foreign currency translation		-	-	-	115,318	-	-	-	115,318	116,348	231,666
Crystallisation of deffered tax liability on revaluation reserve		-	-	27,251	-	-	-	-	27,251	-	27,251
Total other comprehensive income for the year		-	-	27,251	115,318	(2,199)	-	-	140,370	116,348	256,718
Loss for the year		-	-	-	-	-	-	(619,005)	(619,005)	(521,808)	(1,140,813)
Total comprehensive loss for the year		-	-	27,251	115,318	(2,199)	-	(619,005)	(478,635)	(405,460)	(884,095)
Realisation of revaluation reserve	17	-	-	(81,752)	-	-	-	81,752	-	-	-
At 30.6.2013		60,000,000	8,022,580	5,900,533	(198,736)	-	(1,049,536)	(35,106,068)	37,568,773	(2,609,470)	34,959,303
At 1.7.2011		60,000,000	8,022,580	1,224,926	(79,092)	2,049	(1,049,536)	(27,901,803)	40,219,124	(845,155)	39,373,969
Gain on changes in fair value of available-for-sale investments		-	-	-	-	150	-	-	150	-	150
Foreign currency translation		-	-	-	(234,962)	-	-	-	(234,962)	(182,985)	(417,947)
Revaluation of land and buildings		-	-	4,784,608	-	-	-	-	4,784,608	-	4,784,608
Crystallisation of deffered tax liability on revaluation reserve		-	-	27,251	-	-	-	-	27,251	-	27,251
Total other comprehensive income for the year		-	-	4,811,859	(234,962)	150	-	-	4,577,047	(182,985)	4,394,062
Loss for the year		-	-	-	-	-	-	(6,748,763)	(6,748,763)	(1,175,870)	(7,924,633)
Total comprehensive loss for the year		-	-	4,811,859	(234,962)	150	-	(6,748,763)	(2,171,716)	(1,358,855)	(3,530,571)
Realisation of revaluation reserve	17	-	-	(81,751)	-	-	-	81,751	-	-	-
At 30.6.2012		60,000,000	8,022,580	5,955,034	(314,054)	2,199	(1,049,536)	(34,568,815)	38,047,408	(2,204,010)	35,843,398

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

	Non-distributable				
	Share Capital RM	Share Premium RM	Treasury Shares RM	Accumulated Loss RM	Total Equity RM
At 1.7.2012	60,000,000	8,022,580	(1,049,536)	(49,270,148)	17,702,896
Loss for the year	-	-	-	(3,665,784)	(3,665,784)
At 30.6.2013	60,000,000	8,022,580	(1,049,536)	(52,935,932)	14,037,112
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

See accompanying notes to the financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 30 June 2013

	Note	2013 RM	2012 RM
Revenue	24	**43,719,339**	49,961,554
Cost of Revenue	25	**(32,245,385)**	(37,992,567)
Gross Profit		**11,473,954**	11,968,987
Other Operating Income		**5,136,857**	3,346,128
Administrative Expenses		**(10,805,156)**	(12,759,009)
Selling and Marketing Expenses		**(159,173)**	(121,326)
Other Operating Expenses		**(6,419,593)**	(9,874,989)
Loss from Operations		**(773,111)**	(7,420,209)
Finance Costs		**(367,702)**	(504,424)
Loss Before Taxation	26	**(1,140,813)**	(7,924,633)
Income Tax	29	**-**	-
Loss for the Year		**(1,140,813)**	(7,924,633)

See accompanying notes to the financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2013

	Note	2013 RM	2012 RM
Loss for the year		**(1,140,813)**	(7,924,633)
Other comprehensive (loss)/income, net of tax			
Item that will not be reclassified subsequently to profit or loss			
Revaluation of Land and Buildings		**-**	4,784,608
Crystallisation of Deferred Tax Liability on revaluation reserve	29	**27,251**	27,251
Item that may be reclassified subsequently to profit or loss			
Foreign Currency Translation		**231,666**	(417,947)
(Loss) / Gain on change in fair value of available-for-sale financial asset		**(2,199)**	150
Total other comprehensive income of the year		**256,718**	4,394,062
Total comprehensive loss for the year		**(884,095)**	(3,530,571)
Loss attributable to :			
Owners of the Company		**(619,005)**	(6,748,763)
Non-Controlling interests		**(521,808)**	(1,175,870)
Loss for the year		**(1,140,813)**	(7,924,633)
Total comprehensive loss attributable to :			
Owners of the Company		**(478,635)**	(2,171,716)
Non-Controlling interests		**(405,460)**	(1,358,855)
		(884,095)	(3,530,571)
Loss per share (sen)	30	**(1.07)**	(11.65)

See accompanying notes to the financial statements

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2013

	Note	2013 RM	2012 RM
Revenue	24	**2,248,000**	648,000
Other operating income		**537,811**	530,709
Administrative expenses		**(2,634,253)**	(2,753,969)
Selling and marketing expenses		**(159,173)**	(55,469)
Other operating expenses		**(3,658,169)**	(15,895,673)
Loss from operations		**(3,665,784)**	(17,526,402)
Finance costs		**-**	-
Loss before tax	26	**(3,665,784)**	(17,526,402)
Income tax	29	**-**	-
Loss for the year		**(3,665,784)**	(17,526,402)
Other comprehensive income		**-**	-
Total comprehensive loss for the year attributable to owners of the Company		**(3,665,784)**	(17,526,402)

See accompanying notes to the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2013

	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(1,140,813)**	(7,924,633)
Adjustments for:		
Depreciation	**2,329,323**	2,677,582
Interest expense	**367,702**	504,424
Interest income	**(245,248)**	(1,026,561)
Loss/(Gain) on disposal of property, plant and equipment	**208,895**	(72,813)
Gain on disposal of other investment	**(49,999)**	-
Gain on disposal of assets held for sales	**(4,440,461)**	-
Impairment loss on:		
Goodwill	**-**	2,072,488
Trade receivables	**-**	390,894
Reversal of impairment loss on trade receivables	**(35,381,978)**	(1,815,954)
Operating loss before working capital changes	**(38,352,579)**	(5,194,573)
Increase in inventories	**(3,341,552)**	(3,428,050)
Decrease in receivables	**36,639,885**	2,853,260
(Increase)/Decrease in amounts due from customers on contracts	**(888,503)**	772,325
(Decrease)/Increase in amounts due to customers on contracts	**(1,663,384)**	1,208,136
(Decrease)/Increase in payables	**(4,254,892)**	4,151,901
Cash (used in) / generated from operating activities	**(11,861,025)**	362,999
Income tax refunded	**-**	362,500
Interest paid	**(367,702)**	(504,424)
Interest received	**245,248**	1,026,561
Net cash (used in) / generated from operating activities	**(11,983,479)**	1,247,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(975,163)**	(1,420,911)
Proceeds from disposal of property, plant and equipment	**101,695**	143,485
Proceeds from disposal of other investment	**50,000**	-
Proceeds from disposal of assets held for sale	**13,085,605**	-
Net cash generated from / (used in) investing activities	**12,262,137**	(1,277,426)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payable	**(544,807)**	(602,080)
Proceeds from term loan	**474,576**	-
Repayment of term loan	**(271,447)**	(267,829)
Decrease in trust receipts	**-**	(113,800)
(Decrease) / Increase in bankers' acceptances	**(683,000)**	1,082,000
Decrease in deposits pledged as security with licensed bank	**4,912,218**	55,441
Net cash generated from financing activities	**3,887,540**	153,732
NET INCREASE IN CASH AND CASH EQUIVALENTS	**4,166,198**	123,942
Effects of foreign exchange rate changes	**210,304**	(274,835)
Balance at beginning of year	**1,165,786**	1,316,679
Balance at end of year	**5,542,288**	1,165,786
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and bank balances	**517,010**	1,623,875
Deposits with licensed banks	**10,507,053**	7,699,590
Bank overdraft	**(3,287,358)**	(1,051,044)
	7,736,705	8,272,421
Less: Deposits pledged as security with licensed banks	**(2,194,417)**	(7,106,635)
	5,542,288	1,165,786

See accompanying notes to the financial statements

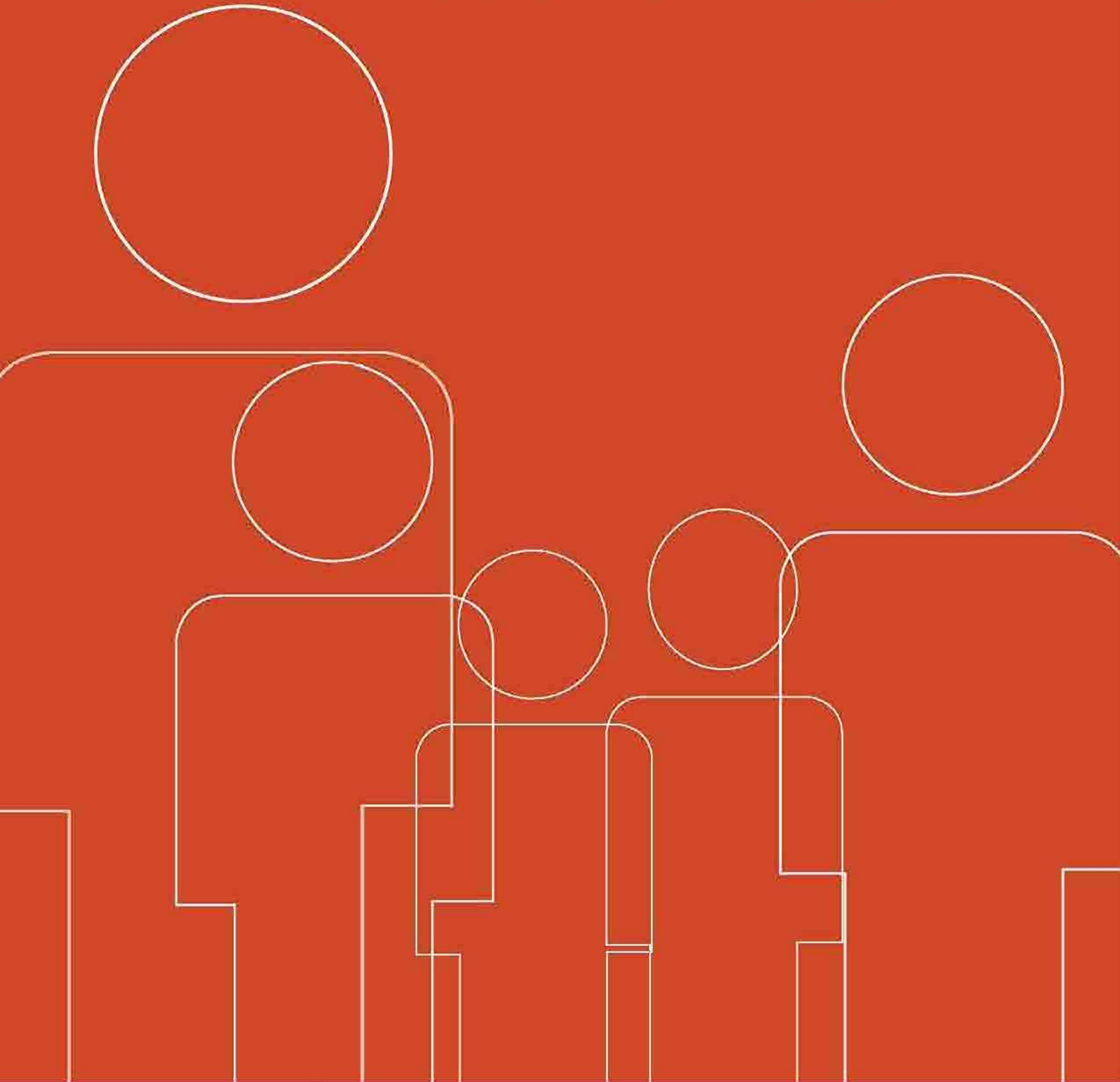
STATEMENT OF CASH FLOWS
for the year ended 30 June 2013

	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(3,665,784)**	(17,526,402)
Adjustments for:		
Depreciation	**818,733**	878,771
Impairment losses - investment in subsidiaries	**2,214,078**	14,349,931
Dividend income	**(1,600,000)**	-
Gain on disposal of property, plant and equipment	**(17)**	-
Interest income	**(537,794)**	(530,709)
Operating loss before working capital changes	**(2,770,784)**	(2,828,409)
Increase in receivables	**(59,625)**	(50,714)
Increase in payables	**8,534,877**	2,138,299
Cash generated from/(used in) operating activities	**5,704,468**	(740,824)
Income tax refunded	**-**	362,500
Interest received	**537,794**	530,709
Net cash generated from operating activities	**6,242,262**	152,385
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(19,564)**	(63,271)
Proceeds from disposal of property, plant and equipment	**351**	-
Additional investment in subsidiaries	**(6,257,671)**	(90,000)
Net cash used in investing activities	**(6,276,884)**	(153,271)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	**-**	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(34,622)**	(886)
Balance at beginning of year	**39,962**	40,848
Balance at end of year	**5,340**	39,962
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and bank balances	**5,340**	39,962

See accompanying notes to the financial statements

annual report 2013

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 7 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 23 October 2013.

2. BASIS OF PREPARATION

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

In previous year, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards. At the beginning of the current financial year, the Group and the Company has adopted the Malaysian Financial Reporting Standards and also adopted the Amendment to MFRS 101, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income, which is effective for annual periods beginning on or after 1 July 2012.

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and Company's functional currency.

As these are the first financial statements of the Group and the Company prepared in accordance with MFRSs, the accounting policies as set out in Note 3 has been applied in preparing the financial statements of the Group and the Company for the year ended 30 June 2013, the comparative information presented for the year ended 30 June 2012 and the opening MFRS Statement of financial position as at 1 July 2011. (Group and Company's date of transition to MFRS). The transition to MFRS does not have any financial impact to the separate financial statements of the Group and Company and the Statement of financial position as at 1 July 2011 has no adjustment to amounts as previously reported in financial statements prepared in accordance with the previous FRSs.

The Group and the Company has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") which are not yet effective for the Company:

MFRSs Interpretations and amendments effective for annual periods beginning on or after 1 January 2013.

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (2011)
MFRS 127	Separate Financial Statements (2011)
MFRS 128	Investments in Associates and Joint Ventures (2011)
IC Interpretations 2	Members' Shares in Co-operative Entities and Similar Instruments

2. BASIS OF PREPARATION (Contd.)

MFRSs Interpretations and amendments effective for annual periods beginning on or after 1 January 2013 (Contd.)

IC Interpretations 20	Stripping Costs in the Production Phase of a Surface Mine
Amendment to MFRS 7	Financial Instruments: Disclosure - Offsetting Financial Assets and Financial Liabilities
Amendment to MFRS 1	First-time Adoption of Financial Reporting Standards - Government Loans
Amendment to MFRS 1	First-time Adoption of Financial Reporting Standards (Annual Improvements 2009 - 2011 Cycle)
Amendment to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)
Amendment to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)
Amendment to MFRS 132	Financial Instruments: Presentation (Annual Improvemts 2009 - 2011 Cycle)
Amendment to MFRS 134	Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)
Amendment to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendment to MFRS 11	Joint Arrangements: Transition Guidance
Amendment to MFRS 12	Disclosures of Interests in Other Entities: Transition Guidance

MFRSs Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

Amendment to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendment to MFRS 12	Disclosures of Interests in Other Entities: Investment Entities
Amendment to MFRS 127	Separate Financial Statements : Investment Entities
Amendment to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

MFRSs Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

MFRS 9	Financial Instruments (November 2009)
MFRS 9	Financial Instruments (October 2010)
Amendment to MFRS 7	Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures

The Group and the Company plan to apply the above standards, amendments or interpretations from the annual period beginning on 1 July 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2013.

Material impacts of initial application of a standard, an amendment or an Interpretation, which will be applied retrospectively and applicable to the Group and the Company, are discussed below:

MFRS13 Fair Value Measurement
MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted. Upon adoption of MFRS 13, the Company will take into consideration the highest and best use of certain properties in measuring the fair value of such properties, plant and equipment.

MFRS 127 Separate Financial Statements (2011)
As a consequence of the new MFRS 10 and MFRS 12, is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

Amendment to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)
The amendments to MFRS 116 clarify that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

The initial application of the other standards, amendments and interpretations are not expected to have any material financial impacts on the financial statements of the Group and of the Company.

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.

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:

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

Leasehold land	Over the lease period
Buildings	2%
Renovations	5% - 20%
Office equipment	20% - 33%
Equipment tools, motor vehicles, and furniture & fittings	20%
Plant & machinery	6% - 25%
Gymnasium equipment	20%

The residual value, useful life and depreciation method are reviewed at each financial year end, 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 loans and receivables and available-for-sale financial assets.

(a) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

3.10 Financial assets (Contd.)

(b) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified as loan and receivables, held to maturity investments and financial assets at fair value through profit or loss.

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.

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

3.11 Impairment of financial assets (Contd.)

(a) Trade and other receivables (Contd.)

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.

(b) 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. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

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 MFRS 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 liablity 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.

3.19 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:

- 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

3.20 Income taxes (Contd.)

(b) Deferred tax (Contd.)

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.

3.23 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. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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) Write down of inventories

Reviews are made periodically by management on damaged and slow moving inventories. These reviews require judgement and estimates. Possible changes in the estimates could result in revisions to the valuation of inventories.

(ii) Profits from construction contract

The Group and the Company recognised long term fixed price contracts revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion method is determined by the proportion of actual contracts costs incurred for work performed to date against the estimated total contract costs. The Group and the Company estimate total contract costs based on regularly updated project budgets which may, because of their forward looking nature, be subject to some degree of uncertainty.

(iii) 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.)

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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.

5. PROPERTY, PLANT AND EQUIPMENT

	AT VALUATION		AT COST							
	Long term leasehold land	Building	Motor vehicles	Office equipment	Renovations	Furniture & fittings	Equipment tools	Gymnasium equipment	Plant & Machinery	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
GROUP										
Cost / Valuation										
At 1.7.2012	12,171,002	6,446,998	5,238,146	9,279,271	7,410,993	902,799	992,983	3,420	2,184,208	44,629,820
Additions	-	-	-	127,299	53,915	128	-	-	793,821	975,163
Disposals	-	-	(147,009)	(7,415)	-	-	-	-	(301,675)	(456,099)
Exchange differences	-	-	3,059	717	1,816	127	-	-	22,016	27,735
At 30.6.2013	12,171,002	6,446,998	5,094,196	9,399,872	7,466,724	903,054	992,983	3,420	2,698,370	45,176,619
Accumulated Depreciation										
At 1.7.2012	80,100	75,215	4,126,386	7,282,787	2,855,290	796,273	987,804	3,419	399,990	16,607,264
Charge for the year	137,315	128,940	579,040	803,676	390,019	59,429	1,582	-	229,322	2,329,323
Disposals	-	-	(102,906)	(5,489)	-	-	-	-	(37,114)	(145,509)
Exchange differences	(1)	-	1,423	461	354	105	-	-	4,031	6,373
At 30.6.2013	217,414	204,155	4,603,943	8,081,435	3,245,663	855,807	989,386	3,419	596,229	18,797,451
Carrying Amount										
At 30.6.2013	11,953,588	6,242,843	490,253	1,318,437	4,221,061	47,247	3,597	1	2,102,141	26,379,168
At 30.6.2012	12,090,902	6,371,783	1,111,760	1,996,484	4,555,703	106,526	5,179	1	1,784,218	28,022,556
Depreciation charge for year 2012	119,741	110,023	718,625	1,003,274	471,711	75,020	1,697	-	177,491	2,677,582

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

	Office Equipment RM	Renovations RM	Motor Vehicles RM	Gymnasium Equipment RM	Total RM
Company					
Cost					
At 1.7.2012	3,852,293	5,269,600	158,710	3,420	9,284,023
Additions	19,564	-	-	-	19,564
Disposals	(1,699)	-	-	-	(1,699)
At 30.6.2013	3,870,158	5,269,600	158,710	3,420	9,301,888
Accumulated Depreciation					
At 1.7.2012	2,276,096	987,791	158,709	3,419	3,426,015
Charge for the financial year	559,542	259,191	-	-	818,733
Disposals	(1,365)	-	-	-	(1,365)
At 30.6.2013	2,834,273	1,246,982	158,709	3,419	4,243,383
Carrying Amount					
At 30.6.2013	1,035,885	4,022,618	1	1	5,058,505
At 30.6.2012	1,576,197	4,281,809	1	1	5,858,008
Depreciation charge for year 2012	594,802	283,969	-	-	878,771

The leasehold land has an unexpired lease term of 72 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:

	GROUP 2013 RM	GROUP 2012 RM
Leasehold Land	**6,981,905**	7,102,706
Buildings	**3,059,896**	3,147,640
	10,041,801	10,250,346

Carrying amount of property, plant and equipment held under hire purchase arrangements as disclosed in Note 22 are as follows:

	GROUP 2013 RM	GROUP 2012 RM
Motor vehicles	**433,411**	1,011,062

5. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Carrying amount of plant and machinery charged as collateral for term loan facilities granted to a subsidiary company are as follows:

	GROUP	
	2013 RM	2012 RM
Plant and machinery	**2,102,141**	1,784,218

During the financial year, the Group and the Company purchased property, plant and equipment with an aggregate cost of RM 975,163 (RM 1,759,911 in 2012) and RM 19,564 (RM 63,271 in 2012) respectively of which RM Nil (RM339,000 in 2012) were acquired by means of hire purchase arrangements of the Group. Cash payments of RM 975,163 (RM 1,420,911 in 2012) and RM 19,564 (RM 63,271 in 2012) were made by the Group and the Company respectively during the financial year.

6. INVESTMENT PROPERTY / ASSET HELD FOR SALES

	GROUP	
	2013 RM	2012 RM
Freehold land at cost		
At 1 July	-	8,645,144
Less: Reclassified to asset held for sales	-	8,645,144
At 30 June	-	-
Asset held for sales	-	8,645,144

On 24 November 2011, 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 sale was completed during the current financial year upon approval of transfer of the land title by the relevant state authorities, giving rise to a gain on disposal amounting to RM4,440,461.

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2013 RM	2012 RM
Unquoted shares, at costs	**56,284,208**	56,284,208
Discount on loans to subsidiaries	**24,015,239**	17,757,568
	80,299,447	74,041,776
Less: Accumulated impairment losses	**(43,727,483)**	(41,513,405)
	36,571,964	32,528,371

7. INVESTMENT IN SUBSIDIARIES (Contd.)

The details of the subsidiary companies are as follows:

Name of Subsidiary	Equity Interest		Country of Incorporation	Principal Activities
	2013	2012		
Elitemac Resources Sdn. Bhd.	100%	100%	Malaysia	Ceased operations.
Edaran IT Services Sdn. Bhd.	100%	100%	Malaysia	Provisioning, installation, commissioning, integration and maintenance of information technology products and related services.
SIDIC Technology Sdn. Bhd.	100%	100%	Malaysia	Smart technology provider.
MIDC Technology Sdn. Bhd.	100%	100%	Malaysia	Dormant.
Edaran Lifestyle Sdn. Bhd.	100%	100%	Malaysia	Event management and special interest project.
Edaran Lifestyle Maintenance Services Sdn. Bhd.	100%	100%	Malaysia	Dormant.
Edaran Lifestyle Trading Services Sdn. Bhd.	100%	100%	Malaysia	Provision of trading services and consultancy.
Subsidiary of Elitemac Resources Sdn. Bhd.				
Edaran Communications Sdn. Bhd.	100%	100%	Malaysia	Ceased operations.
Subsidiary of Edaran IT Services Sdn. Bhd.				
Shinba-Edaran Sdn. Bhd. **	75%	75%	Brunei	Information technology provider.
Subsidiary of Edaran Lifestyle Trading Services Sdn. Bhd.				
PT Linewin	51%	51%	Indonesia	Manufacturing, processing and trading of timber wood including rubber wood and related product

** Audited by firm other than McMillan Woods Mea

8. INTANGIBLE ASSET

	GROUP 2013 RM	GROUP 2012 RM
Goodwill		
Cost:		
At 1 July	**2,072,488**	2,166,355
Exchange differences	**-**	(93,867)
At 30 June	**2,072,488**	2,072,488
Accumulated impairment loss:		
At 1 July	**2,072,488**	-
Recognised in profit or loss	**-**	2,072,488
At 30 June	**2,072,488**	2,072,488
Net carrying amount		
At 1 July	**-**	2,166,355
At 30 June	**-**	-

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 2013 RM	GROUP 2012 RM
Manufacturing division	**-**	-

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 statement of comprehensive income.

9. OTHER INVESTMENT

	GROUP 2013 RM	GROUP 2012 RM
Non-Current		
Available-for-sale financial assets		
Carrying amount:		
Equity instruments		
*Unquoted / Quoted shares in Malaysia	**2,200**	2,200
Less : Loss on change in fair value	**(2,199)**	-
	1	2,200
#Unquoted shares	**-**	1
Total	**1**	2,201
Market value:		
*Unquoted / Quoted shares in Malaysia	***1**	2,200

9. OTHER INVESTMENTS (Contd.)

*The investee company was delisted during the current financial year and a nominal carrying amount is disclosed accordingly.

#The unquoted shares was disposed at a cash consideration of RM50,000 by the subsidiary during the current financial year, giving rise to a gain on disposal amounting to RM49,999.

10. INVENTORIES

	GROUP	
	2013 RM	**2012 RM**
At Cost		
Raw material	**1,552,639**	685,241
Work-in progress	**5,128,300**	2,806,663
Consumables & spare parts	**215,805**	63,288
	6,896,744	3,555,192
Inventories recognised as cost of sales	**3,457,751**	2,368,297

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

	GROUP	
	2013 RM	**2012 RM**
Aggregate costs incurred to date	**106,007,502**	78,857,678
Add: Attributable profits recognised	**29,590,720**	18,803,398
	135,598,222	97,661,076
Less: Progress billings	**(132,240,971)**	(96,855,712)
	3,357,251	805,364
Represented by:		
Amount due from customers on contracts	**4,163,812**	3,275,309
Amount due to customers on contracts	**(806,561)**	(2,469,945)
	3,357,251	805,364
Contract revenue recognised	**37,936,775**	45,805,470
Contract cost recognised	**27,261,054**	34,435,438

12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Trade receivables (Note a)				
Third parties	**3,564,185**	37,094,199	-	-
Less: Impairment losses	-	(31,785,131)	-	-
	3,564,185	5,309,068	-	-
Other receivables, deposits and prepayments				
Related parties (Note b)				
- Companies connected to directors	-	268,906	-	-
Other receivables	**1,053,171**	1,238,547	**153,287**	54,585
Deposits	**810,999**	3,443,141	**100,116**	98,963
Prepayments	**598,102**	621,619	**10,443**	50,673
	2,462,272	5,572,213	**263,846**	204,221
Less: Impairment losses				
Other receivables	-	(921,917)	-	-
Deposits	-	(2,675,000)	-	-
	-	(3,596,917)	-	-
	2,462,272	1,975,296	**263,846**	204,221
	6,026,457	7,284,364	**263,846**	204,221

(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 [2012: 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.

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

	2013 RM	2012 RM
Neither past due nor impaired	**2,249,841**	4,329,191
1 to 30 days past due not impaired	**1,002,407**	643,244
31 to 60 days past due not impaired	**60,816**	268,083
61 to 90 days past due not impaired	**32,665**	-
More than 91 days past due not impaired	**218,456**	88,550
Impaired	-	31,785,131
	3,564,185	37,094,199

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 RM1,314,344 (RM979,877 in 2012) 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:

	INDIVIDUALLY IMPAIRED	
	2013 RM	2012 RM
Trade receivables		
- nominal amounts	-	31,785,131
Less: Impairment losses	-	(31,785,131)
	-	-

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:

	2013 RM	2012 RM
At 1 July	**31,785,131**	33,210,191
Charge for the year	-	390,894
Reversal of impairment losses	**(31,785,131)**	(1,815,954)
At 30 June	-	31,785,131

(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 RM2,194,417 (RM7,106,635 in 2012) are pledged to banks for credit facilities granted to certain subsidiaries as referred to Note 21.

13. DEPOSITS WITH LICENSED BANKS (Contd.)

The interest rates and average maturities of deposits of the Group as at 30 June 2013 range from 2.60% to 5.00% (2.60% to 5.00% in 2012) per annum and between 30 to 365 days respectively. (30 to 365 days in 2012)

14. SHARE CAPITAL

	GROUP/COMPANY	
	2013 RM	2012 RM
Authorised		
100,000,000 ordinary shares of RM1 each	**100,000,000**	100,000,000
Issued and fully paid		
60,000,000 ordinary shares of RM1 each	**60,000,000**	60,000,000

15. SHARE PREMIUM

	GROUP/COMPANY	
	2013 RM	2012 RM
As at 1 July/ As at 30 June	**8,022,580**	8,022,580

16. TREASURY SHARES

	GROUP/COMPANY	
	2013 RM	2012 RM
As at 1 July/ As at 30 June	**1,049,536**	1,049,536

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition cost of treasury shares including transaction cost.

Of the total 60,000,000 (60,000,000 in 2012) issued and fully paid ordinary shares of RM1 each as at 30 June 2013, the Company held 2,094,800 ordinary shares (2,094,800 in 2012) as treasury shares.

The shareholders of the Company, by ordinary resolution passed in an extraordinary general meeting held on 29 November 2012, 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 repurchase plan can be applied in the best interest of the Company and its shareholders. The repurchase transactions were financed by internally generated funds.

17. REVALUATION RESERVE

	GROUP	
	2013 RM	2012 RM
Property, Plant and Equipment		
At 1 July	**5,955,034**	1,224,926
Increase of revaluation surplus	**-**	6,801,157
Deferred tax on revaluation surplus (Note 20)	**-**	(2,016,549)
Crystallisation of deferred tax liability on revaluation reserve (note 29)	**27,251**	27,251
Realisation of revaluation surplus	**(81,752)**	(81,751)
At 30 june	**5,900,533**	5,955,034

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 of the subsidiary companies based on independent firm of professional valuers using the open market value basis.

18. 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.

During the current financial year, the AFS reserve is reversed due to the loss on change in fair value of the equity instruments as disclosed in Note 9.

20. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
At 1 July	**1,989,298**	-	-	-
Recognised in other comprehensive income (Note 17)	-	2,016,549	-	-
Recognised in profit or loss (Note 29)	**(27,251)**	(27,251)	-	-
At 30 June	**1,962,047**	1,989,298	-	-

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Presented after appropriate offsetting are as follows:				
Deferred tax assets	**(549,521)**	(746,776)	**(31,212)**	(90,629)
Deferred tax liabilities	**2,511,568**	2,736,074	**31,212**	(90,629)
	1,962,047	1,989,298	-	-

20. DEFERRED TAX LIABILITIES (Contd.)

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

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Unabsorbed capital allowances				
At 1 July	**(324,329)**	(150,181)	**(87,501)**	-
Recognised in profit or loss	**15,641**	(174,148)	**56,289**	(87,501)
At 30 June	**(308,688)**	(324,329)	**(31,212)**	(87,501)

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Unused tax losses				
At 1 July	**(422,447)**	(555,523)	**(3,128)**	-
Recognised in profit or loss	**181,614**	133,076	**3,128**	(3,128)
At 30 June	**(240,833)**	(422,447)	**-**	(3,128)

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

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Revaluation of property, plant and equipment				
At 1 July	**2,488,593**	499,295	**-**	-
Recognised in comprehensive income	**(27,251)**	1,989,298	**-**	-
At 30 June	**2,461,342**	2,488,593	**-**	-

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Capital allowances claimed in excess of depreciation				
At 1 July	**247,481**	206,409	**90,629**	-
Recognised in profit or loss	**(197,255)**	41,072	**(59,417)**	90,629
At 30 June	**50,226**	247,481	**31,212**	90,629

20. DEFERRED TAX LIABILITIES (Contd.)

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

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Depreciation claimed in excess of capital allowances	**2,355**	7,587	-	-
Unused tax losses	**6,518,998**	6,250,391	**575,561**	550,209
Unabsorbed capital allowances	**356,661**	310,340	**75,468**	-
	6,878,014	6,568,318	**651,314**	550,209

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 unused tax losses and unabsorbed capital allowance.

21. BORROWINGS

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Short Term Borrowings				
Bank overdrafts	**3,287,358**	1,051,044	-	-
Bankers' acceptances	**1,099,000**	1,782,000	-	-
Term loans	**325,424**	228,208	-	-
Hire purchase payables (Note 22)	**174,558**	534,228	-	-
	4,886,340	3,595,480	-	-
Long Term Borrowings				
Term loans	**524,294**	418,381	-	-
Hire purchase payables (Note 22)	**204,002**	389,139	-	-
	728,296	807,520	-	-
Total Borrowings				
Bank overdrafts	**3,287,358**	1,051,044	-	-
Bankers' acceptances	**1,099,000**	1,782,000	-	-
Term loans	**849,718**	646,589	-	-
Hire purchase payables (Note 22)	**378,560**	923,367	-	-
	5,614,636	4,403,000	-	-
Maturity of Borrowings (excluding hire purchase)				
Within one year	**4,711,782**	3,061,252	-	-
More than 1 year and less than 2 years	**287,006**	228,208	-	-
More than 2 years and less than 5 years	**237,288**	190,173	-	-
	5,236,076	3,479,633	-	-

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

	GROUP 2013 %	GROUP 2012 %	COMPANY 2013 %	COMPANY 2012 %
Bank overdrafts	6.70 to 8.42	8.42	-	-
Bankers' acceptances	3.99 to 4.45	4.20	-	-
Term loans	7.92 to 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) plant and machinery charged by a subsidiary company as disclosed in Note 5;

(iii) assignment of contract proceeds of certain subsidiary companies; and

(iv) corporate guarantee of the Company.

22. HIRE PURCHASE PAYABLES

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Minimum lease payments:				
Not later than one year	**190,730**	572,365	-	-
More than 1 year and less than 2 years	**102,231**	201,613	-	-
More than 2 years and less than 5 years	**114,251**	216,222	-	-
	407,212	990,200	-	-
Less: Future finance charges	**(28,652)**	(66,833)	-	-
Present value of finance lease liabilities	**378,560**	923,367	-	-
Present value of finance lease liabilities:				
Not later than one year	**174,558**	534,228	-	-
More than 1 year and less than 2 years	**93,663**	185,356	-	-
More than 2 years and less than 5 years	**110,339**	203,783	-	-
	378,560	923,367	-	-
Analysed as:				
Due within 12 months (Note 21)	**174,558**	534,228	-	-
Due after 12 months (Note 21)	**204,002**	389,139	-	-
	378,560	923,367	-	-

The hire purchase payables bear interest from 4.68% to 9.00% (4.24% to 9.00% in 2012) per annum.

23. TRADE AND OTHER PAYABLES

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Current				
Trade payables (Note a)				
Third parties	**7,661,803**	6,843,556	-	-
Other payables and accruals				
Subsidiary (Note b)	-	-	**27,158,180**	17,780,808
Other payables	**2,183,539**	3,219,632	**1,927,450**	2,776,036
Deposits	**94,480**	3,504,102	-	-
Accruals	**1,207,876**	1,835,300	**376,913**	370,822
	3,485,895	8,559,034	**29,462,543**	20,927,666
	11,147,698	15,402,590	**29,462,543**	20,927,666

23. 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 (2012: 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.

24. REVENUE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Contract revenue	**37,936,775**	45,805,470	**-**	-
Trading revenue	**5,518,109**	3,677,987	**-**	-
Services rendered	**264,455**	498,097	**-**	-
Management fee	**-**	-	**648,000**	648,000
Dividend income	**-**	-	**1,600,000**	-
	43,719,339	49,981,554	**2,248,000**	648,000

25. COST OF REVENUE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Contract costs	**27,261,054**	34,435,438	**-**	-
Trading costs	**4,466,779**	3,164,313	**-**	-
Services costs	**517,552**	392,816	**-**	-
	32,245,385	37,992,567	**-**	-

26. LOSS BEFORE TAX

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
After charging / (crediting):				
Audit fee - current year	**49,336**	49,705	**12,000**	12,000
- (over) / under provision in prior year	**(600)**	2,849	-	-
Employee benefits expense (Note 27)	**8,399,679**	9,353,440	**1,469,930**	1,506,983
Depreciation	**2,329,323**	2,677,582	**818,733**	878,771
Directors' remuneration (Note 28)	**1,161,500**	1,104,250	**458,000**	422,000
Impairment loss on:				
Trade receivables	-	390,894	-	-
Intangible assets	-	2,072,488	-	-
Investment in subsidiaries	-	-	**2,214,078**	14,349,931
Rental of premises	**336,692**	491,693	-	-
Rental of equipment	**36,516**	29,941	**30,550**	-
Rental of motor vehicles	**1,270**	-	-	-
Finance costs:				
Bank overdraft interest	**185,097**	249,118	-	-
Hire purchase interest	**37,731**	64,332	-	-
Term loan interest	**124,696**	104,841	-	-
Trust receipts interest	-	86,133	-	-
Bankers' acceptance interest	**20,178**	-	-	-
Management fee income from:				
Subsidiaries	-	-	**(648,000)**	(648,000)
Dividend income	-	-	**(1,600,000)**	-
Rental income	**(130,800)**	(130,800)	-	-
Interest income from:				
Deposits with licensed bank	**(245,248)**	(218,128)	**(1,154)**	-
Subsidiaries	-	-	**(536,640)**	(530,709)
Trade receivables	-	(808,433)	-	-
Reversal of impairment : loss on trade receivables	-	(1,815,954)	-	-
Loss / (Gain) on disposal of property, plant and equipment	**208,895**	(72,813)	**(17)**	-
Gain on foreign exchange - realised	**(26,157)**	-	-	-
Gain on disposal of other investment	**(49,999)**	-	-	-
Gain on disposal of asset held for sale	**(4,440,461)**	-	-	-

27. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Salaries and bonus	**6,671,933**	7,043,940	**1,145,831**	1,101,321
Contribution to defined contribution plan	**798,381**	882,475	**138,930**	133,674
SOCSO contributions	**50,162**	61,950	**10,261**	10,252
Other benefits	**879,203**	1,365,075	**174,908**	261,736
	8,399,679	9,353,440	**1,469,930**	1,506,983

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

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Directors of the Company				
Executive Directors				
- salaries and other emoluments	**876,000**	876,000	**240,000**	240,000
- benefits-in-kind	**67,500**	46,250	**-**	-
	943,500	922,250	**240,000**	240,000
Non-Executive Directors				
- fees	**218,000**	182,000	**218,000**	182,000
	1,161,500	1,104,250	**458,000**	422,000

29. INCOME TAX

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Income tax				
Current year tax	-	-	-	-
Deferred tax				
Crystallisation on revaluation reserve (Note 20)	**(27,251)**	(27,251)	-	-
	(27,251)	(27,251)	-	-

As at 30 June 2013, the Group have unutilised business losses of RM 25,568,516 (RM23,887,671 in 2012) and unabsorbed capital allowance of RM2,717,799 (RM2,621,811 in 2012) respectively to set off against future taxable profits. As at 30 June 2013, the Company have unutilised business loss of RM 2,302,244 (RM2,213,350 in 2012) and unabsorbed capital allowance of RM 465,237 (RM 388,520 in 2012) to set off against future taxable profits.

Domestic current Income tax is calculated at the statutory tax rate of 25% (2012:25%) of the estimated assessable loss 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 loss 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:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Loss before tax	**(1,140,813)**	(7,924,633)	**(3,665,784)**	(17,526,402)
Taxation at Malaysian statutory tax rate of 25%	**(285,204)**	(1,981,157)	**(916,446)**	(4,381,600)
Different tax rates in the foreign subsidiary company	**36,301**	49,665	-	-
Expenses not deductible for tax purposes	**1,466,083**	1,177,246	**1,152,356**	3,948,935
Tax exempt income	**(400,000)**	-	**(400,000)**	-
Income not subject to tax	**(1,193,661)**	(453,989)	**(4)**	-
Tax incentives *	**(495,955)**	(598,966)	-	-
Crystallisation of deferred tax liability on revaluation reserve	**(27,251)**	(27,251)	-	-
Deferred tax assets not recognised during the year	**872,436**	1,807,201	**164,094**	432,665
Tax income for the year	**(27,251)**	(27,251)	-	-

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

*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.

30. LOSS PER SHARE

The loss per share is calculated based on the loss attributable to equity holders of the Company of RM 619,005 (RM 6,748,763 in 2012) and a weighted average number of ordinary shares outstanding, calculated as follows:

	GROUP	
Weighted average number of ordinary shares	2013 RM	2012 RM
Issued ordinary shares at 1 July	60,000,000	60,000,000
Effect of treasury shares held	(2,094,800)	(2,094,800)
Weighted average number of ordinary shares at 30 June	57,905,200	57,905,200
Basic loss per ordinary share (sen)	1.07	11.65

31. OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	GROUP	
	2013 RM	2012 RM
Less than one year	1,415,964	876,480
Between one and five years	2,654,065	2,446,524
	4,070,029	3,323,004

The Group leases a number of computer network equipment under operating leases. The leases typically run for a period of 4 years, with an option to renew the lease after that date. Operating lease payments are charged out to contract cost.

32. 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:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Management fee income from subsidiary companies	-	-	**648,000**	648,000
Interest income from subsidiary companies	-	-	**536,640**	530,709
Dividend income from subsidiary company	-	-	**1,600,000**	-

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

32. RELATED PARTY TRANSACTIONS (Contd.)

(b) Compensation of key management personnel

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

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Short-term employee benefits	**1,064,400**	1,054,754	**240,000**	240,000
Contributions to defined contribution plan	**127,728**	126,528	**28,800**	28,800
	1,192,128	1,181,282	**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.

33. FINANCIAL INSTRUMENTS

a) Classification of financial instruments

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

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Financial Assets				
Available-for-sale:				
Other investments				
- *Unquoted / Quoted shares in Malaysia	1	2,200	-	-
- Unquoted shares in Malaysia	-	1	-	-
Loans and receivables:				
Trade and other receivables, net of prepayments	**5,428,355**	6,662,745	**253,403**	153,548
Deposits with licensed banks	**10,507,053**	7,699,590	-	-
Cash and bank balances	**517,010**	1,623,875	**5,340**	39,962
Amount due from subsidiary companies	-	-	-	-
Total	**16,454,419**	15,988,411	**258,743**	193,510
Financial Liabilities				
Other financial liabilities:				
Trade and other payables, net of deposits	**11,053,218**	11,898,488	**29,462,543**	20,927,666
Borrowings	**5,614,636**	4,403,000	-	-
Total	**16,667,854**	16,301,488	**29,462,543**	20,927,666

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.

33. FINANCIAL INSTRUMENTS (Contd.)

b) Fair value of financial instruments (Contd.)

(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:

Level 1: 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 is not base on observable market data (unobservable inputs).

GROUP	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
30 June 2013 Financial Assets				
Investment in unquoted shares	-	-	1	1

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.

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 6 (7 in 2012) major customers amounting to RM 3,184,427 (RM 3,896,058 in 2012) representing 89% (73% in 2012) 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.

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

Credit risk (Contd.)

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 wholly-owned subsidiaries.

	COMPANY	
Corporate Guarantees	2013 RM	2012 RM
Corporate guarantee given to banks for credit facilities granted to subsidiaries	**13,094,167**	12,169,001
	13,094,167	12,169,001

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 2013, 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 Risk (Contd.)

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

	2013				
	On Demand or within one year RM	One to two years RM	Two to five years RM	Over five years RM	Carrying amount RM
Financial liabilities:					
Group					
Trade and other payables net of deposits (Note 23)	11,075,313	-	-	-	11,075,313
Borrowings (Note 21)	4,886,340	380,669	347,627	-	5,614,636
	15,961,653	380,669	347,627	-	16,689,949
Company					
Trade and other payables (Note 23)	29,484,638	-	-	-	29,484,638

	2012				
	On Demand or within one year RM	One to two years RM	Two to five years RM	Over five years RM	Carrying amount RM
Financial liabilities:					
Group					
Trade and other payables net of deposits (Note 23)	11,898,488	-	-	-	11,898,488
Borrowings (Note 21)	3,595,480	413,564	393,956	-	4,403,000
	15,493,968	413,564	393,956	-	16,301,488
Company					
Trade and other payables (Note 23)	20,927,666	-	-	-	20,927,666

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 2013. 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 RM 43,864 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").

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 2013		
Indonesian Rupiah	410,056	-
At 30 June 2012		
Indonesian Rupiah	121,461	-

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

Foreign currency 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.

		GROUP	
		2013 RM	2012 RM
		Increase / (Decrease) on Loss net of tax	
USD/RM	- strengthened 5%	**20,503**	111,537
	- weakened 5%	**(20,503)**	(111,537)
IDR/RM	- strengthened 5%	-	94,648
	- weakened 5%	-	(94,648)

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.

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 ratio, which is net debts divided by total capital plus net debts. The group includes within net debts, loan 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.)

The debt-to-equity ratios at 30 June 2013 and at 30 June 2012 were as follows:

	GROUP	
	2013 RM	2012 RM
Total borrowings (Note 21)	**5,614,636**	4,403,000
Trade and other payables (Note 23)	**11,147,698**	15,402,590
	16,762,334	19,805,590
Cash and cash equivalents	**(11,024,063)**	(9,323,465)
Net debt	**5,738,271**	10,482,125
Total equity	**34,959,303**	35,843,398
Net Debt and Equity	**40,697,574**	46,325,523
Debt-to-equity ratio	**0.14**	0.23

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

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
for the year ended 30 June 2013

36. OPERATING SEGMENTS (Contd.)

	Investment Holdings		Information Technology and Services		Telecommunications		Lifestyle		Manufacturing		Total	
	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM
Segment profit / (loss)	(3,665,784)	(17,526,402)	4,896,446	150,123	(1,047,780)	(385,378)	(641,462)	(1,020,891)	(561,155)	(1,775,171)	(1,019,735)	(20,557,719)
Included in the measure of segment profit / (loss) are:												
External sales	-	-	38,201,230	45,303,567	-	-	465,799	551,400	5,052,310	3,126,587	43,719,339	49,981,554
Inter-segment sales	2,248,000	648,000	-	-	-	-	-	-	-	-	2,248,000	648,000
Finance income	537,794	530,709	239,118	208,243	4,567	9,041	-	-	409	844	781,888	748,837
Depreciation & amortisation	(818,733)	(878,771)	(715,972)	(1,083,264)	(464,339)	(441,619)	(13,318)	(20,029)	(316,961)	(253,899)	(2,329,323)	(2,677,582)
(Loss) / Gain on disposal of plant & equipment	(17)	-	66,019	72,813	-	-	-	-	(274,897)	-	(208,895)	72,813
Impairment loss on trade receivables	-	-	-	-	-	(390,894)	-	-	-	-	-	(390,894)
Impairment loss on investment in subsidiaries	(2,214,078)	(14,349,931)	(172,005)	-	-	-	-	-	-	-	(2,386,083)	(14,349,931)
Not included in the measure of segment profit / (loss) but provided to Chief Executive Officer												
Finance costs	-	-	(495,025)	(646,823)	(237,094)	(233,184)	-	-	(133,340)	(117,780)	(865,459)	(997,787)
Tax Income	-	-	7,980	7,980	19,271	19,271	-	-	-		27,251	27,251
Segment assets	43,499,855	38,630,562	27,149,982	49,454,772	16,934,752	29,151,131	14,836,296	10,608,443	10,182,632	6,156,685	112,603,317	134,001,593
Included in the measure of segment assets are:												
Additions to non-current assets other than financial instruments and deferred tax assets	19,564	63,271	96,108	496,259	-	-	1,950	4,300	857,541	1,200,273	975,163	1,764,103

36. **OPERATING SEGMENTS (Contd.)**

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

Profit or loss	**2013 RM**	2012 RM
Total loss for reportable segments	**(1,019,735)**	(20,557,719)
Other non-reportable segments	**(2,819)**	(2,819)
Elimination of inter-segment profits	**249,443**	15,212,817
Finance costs	**(367,702)**	(504,424)
Unallocated expenses	**-**	(2,072,488)
Consolidated loss before tax	**(1,140,813)**	(7,924,633)

2013	External revenue RM	Depreciation and amortisation RM	Finance costs RM	Finance income RM	Segment assets RM	Additions to non-current assets RM
Total reportable segments	**43,719,339**	**(2,329,323)**	**(865,459)**	**781,888**	**112,603,314**	**975,163**
Other non-reportable segments	**-**	**-**	**(38,883)**	**-**	**3,875**	**-**
Elimination of inter-segment transaction or balances	**-**	**-**	**536,640**	**(536,640)**	**(58,116,944)**	**-**
Consolidated total	**43,719,339**	**(2,329,323)**	**(367,702)**	**245,248**	**54,490,245**	**975,163**

2012	External revenue RM	Depreciation and amortisation RM	Finance costs RM	Finance income RM	Segment assets RM	Additions to non-current assets RM
Total reportable segments	49,981,554	(2,677,582)	(997,787)	748,837	134,001,593	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	60,108,231	1,759,911

Geographical Segments

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

	REVENUE		**NON-CURRENT ASSETS**	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Malaysia	**37,616,249**	45,325,340	**23,943,337**	25,821,960
Brunei	**1,050,780**	1,529,627	**20,931**	85,261
Indonesia	**5,052,310**	3,126,587	**2,414,901**	2,117,536
	43,719,339	49,981,554	**26,379,169**	28,024,757

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:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Total accumulated losses of the Company and its subsidiaries				
- Realised	**55,410,903**	51,965,758	**52,935,932**	49,270,148
- Unrealised	-	-	-	-
	55,410,903	51,965,758	**52,935,932**	49,270,148
Less: Consolidated adjustments	**(20,304,835)**	(17,396,943)	-	-
Total accumulated losses as per consolidated financial statements	**35,106,068**	34,568,815	**52,935,932**	49,270,148

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.

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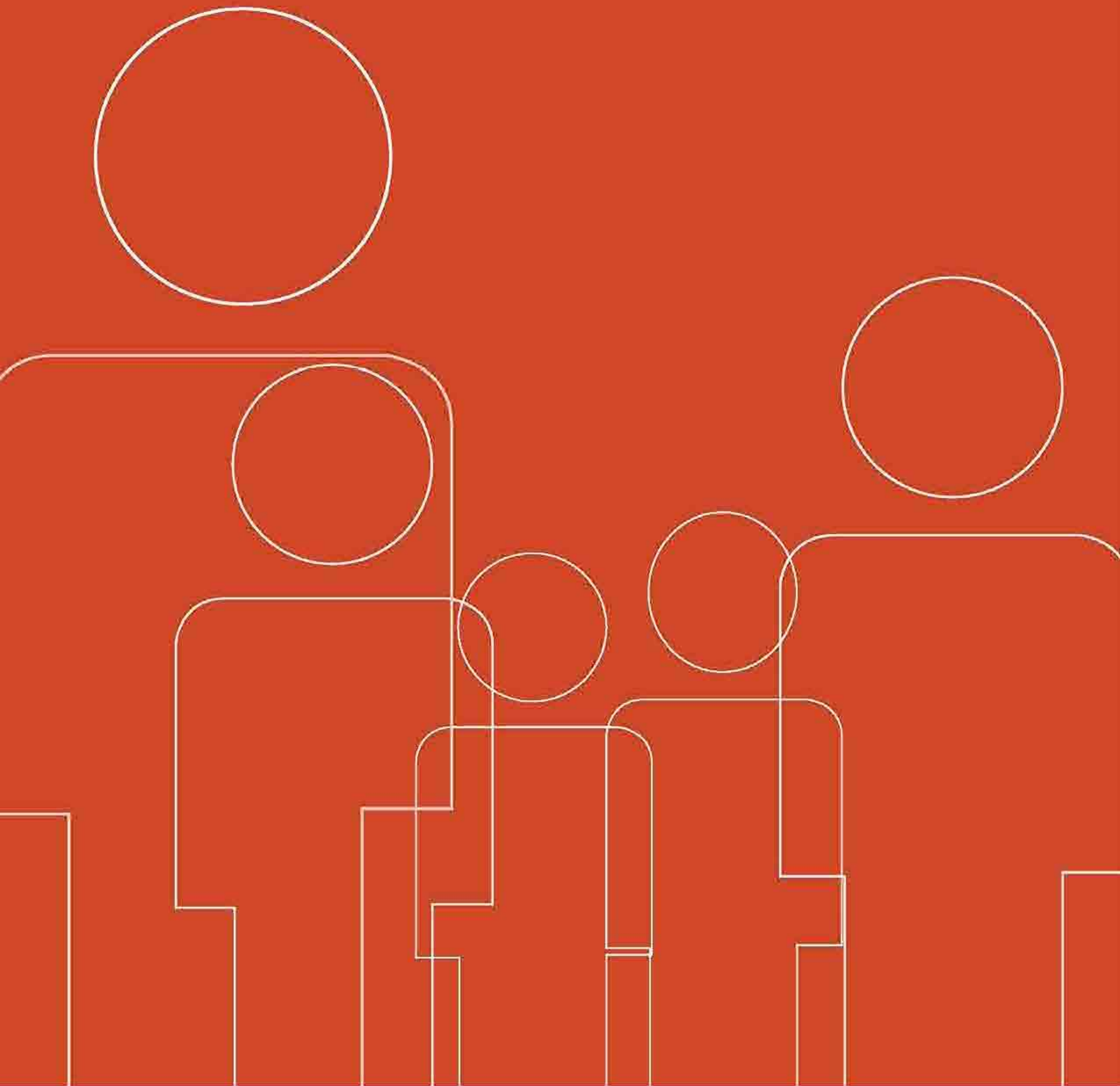
STATISTICS ON SHAREHOLDINGS



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	:	1,687

ANALYSIS OF SHAREHOLDINGS

A. Distribution of Shareholdings (as at 30 September 2013)

Size of Shareholdings	Shareholders	Shareholding	%
Less than 100	19	556	0.00
100 - 1,000	1,123	1,098,740	1.83
1,001 - 10,000	401	1,724,800	2.88
10,001 - 100,000	118	3,873,732	6.46
100,001 to less than 5% of issued shares	21	15,698,169	26.16
5% and above of issued shares	5	37,604,003	62.67
Total	**1,687**	**60,000,000**	**100.00**

B. List of Thirty (30) Largest Shareholders (as at 30 September 2013)

	Names	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	Mohd Salleh Bin Lamsah	300,028	0.50
14	Fazlan & Amal Sdn Bhd	289,600	0.48
15	Power Protection (M) Sdn Bhd	268,000	0.45
16	Ahmad Yasri Bin Mohd Hashim @ Mohd Hassan	242,385	0.40
17	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)	200,000	0.33

STATISTICS ON SHAREHOLDINGS

B. List of Thirty (30) Largest Shareholders (as at 30 September 2013) (Continued)

	Names	No. of Shares	%
18	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Shiraz Bin Shahidan (SHI0075C)	188,000	0.31
19	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Teow Kee	150,600	0.25
20	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Idris Bin Abdullah @ Das Murthy	149,400	0.25
21	Goh Seng Huat	135,400	0.23
22	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tay Ah Cham	135,300	0.23
23	Chiam Yoke Kee	130,000	0.22
24	Ahmad Bin Bachok	100,000	0.17
25	Renfield Investment Limited	100,000	0.17
26	Rohana Binti Laksamana	100,000	0.17
27	Saujana Paradigma Sdn Bhd	100,000	0.17
28	Yong Yoke Eng	100,000	0.17
29	Normah Binti Ali Affandi	92,932	0.15
30	Ling Kam Sing	85,000	0.14

C. Substantial Shareholders (as at 30 September 2013)
(as shown in the Register of Substantial Shareholders)

Names of Substantial Shareholders		No. of Shares Held	%	Notes
1. Valiant Chapter Sdn Bhd		14,168,765	24.46	
2. CIMSEC Nominees (Tempatan) Sdn Bhd (Pengurusan Danaharta Nasional 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:
(a) Tan Sri Dato' Tajudin Ramli is deemed interested in the shares held by Kauthar Sdn Bhd by virtue of his 95% interest therein.
* The computation of the above percentage (%) excludes the Treasury Shares of 2,094,800 held by the Company.

STATISTICS ON SHAREHOLDINGS

D. Directors' Shareholding (as at 30 September 2013)
(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)	1.37

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 Zuliana Zahari.
(c) Encik 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 2,094,600 held by the Company.

E. Directors' Shareholding in Subsidiaries and Associate Companies (as at 30 September 2013)

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

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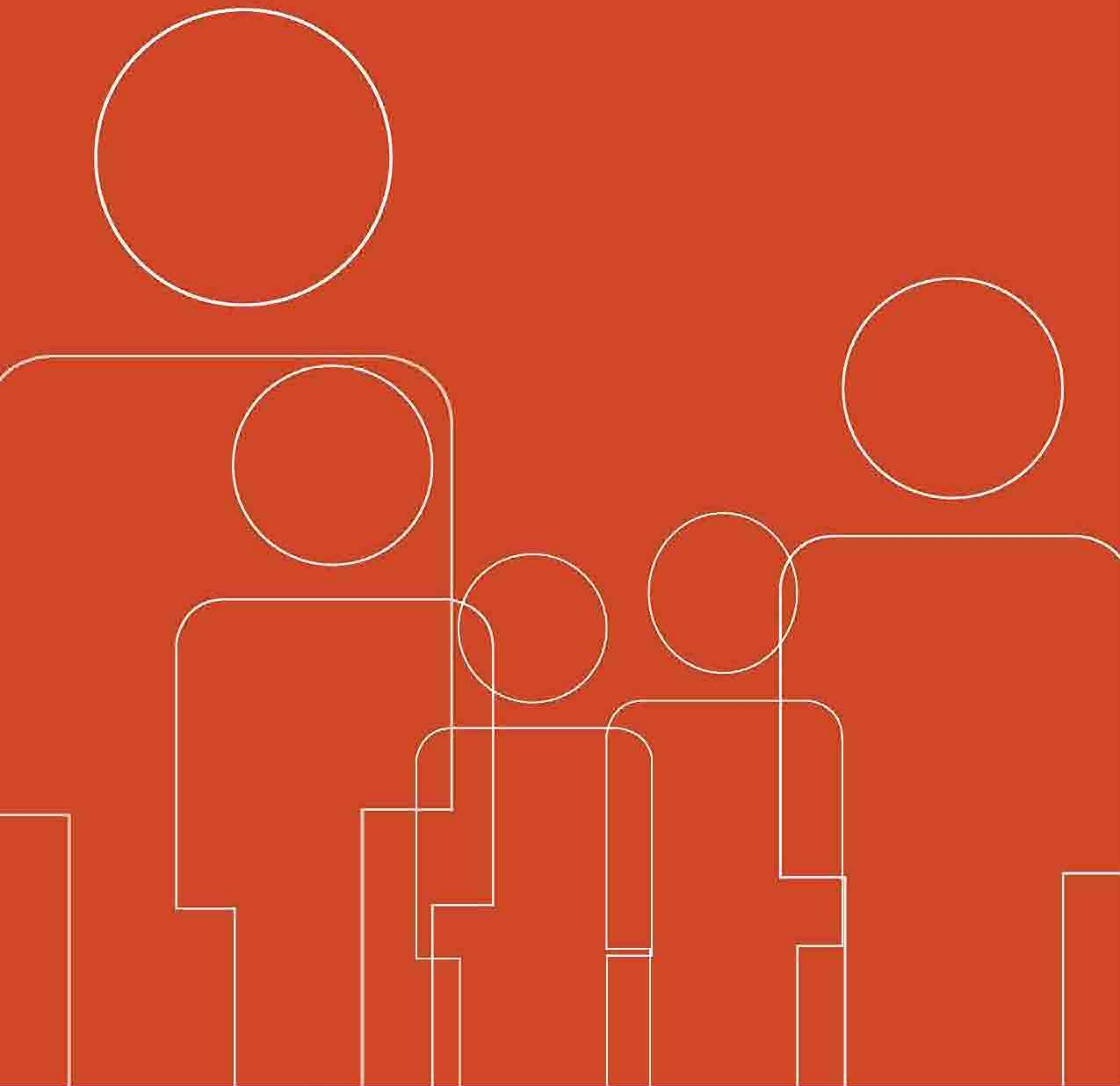
GROUP PROPERTIES



GROUP PROPERTIES
as at 30 June 2013

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	19	1,002.00 / 334.18	3,455
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	19	852.02 / 284.18	2,986
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	18	700.11 / 289.82	3,886
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	18	443.52 / 163.50	2,214
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	18	443.52 / 163.50	2,214

GROUP PROPERTIES
as at 30 June 2013

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	12 Sept 2011	18	474.43 / 153.28	1,596
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	12 Sept 2011	18	474.43 / 153.28	1,596
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	12 Sept 2011	19	153.29/ -	250

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PROXY FORM

Number of shares held :

CDS Account No :

I/We ____________________ NRIC/Company No. ____________

of ____________________

____________________ being a member / members of Edaran Berhad,

hereby appoint ____________________

____________________ NRIC No. ____________

of ____________________

or in his / her absence, ____________________ NRIC No. ____________

of ____________________

as my/our proxy to vote for me/us on my/our behalf at the Twenty First Annual General Meeting of Edaran Berhad to be held on Thursday, 28 November 2013 at Ballroom 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur at 10.00 a.m. and at any adjournment thereof.

My / Our proxy is to vote as indicated below :

	RESOLUTIONS	FOR	AGAINST
RESOLUTION 1	To re-elect a Director retiring under Article 101 of the Company's Articles of Association: **Dato' Abdul Halim Abdullah**		
RESOLUTION 2	To re-elect a Director retiring under Article 101 of the Company's Articles of Association: **Dato' Hj Abdul Hamid Mustapha**		
RESOLUTION 3	To re-elect a Director retiring under Article 101 of the Company's Articles of Association: **Dato' Lim Kheng Yew**		
RESOLUTION 4	To re-appoint Datuk Emam Mohd Haniff Emam Mohd Hussain who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the next Annual General Meeting.		
RESOLUTION 5	To approve the payment of the Directors' fee for the financial year ended 30 June 2013.		
RESOLUTION 6	To re-appoint Messrs. McMillan Woods Mea as Auditors of the Company and to authorise the Directors to fix their remuneration.		
RESOLUTION 7	To give authority to the Directors to issue shares under Section 132D of the Companies Act, 1965.		
RESOLUTION 8	To give an approval to a Directors who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company: **Datuk Emam Mohd Haniff Emam Mohd Hussain**		
RESOLUTION 9	To give an approval to a Directors who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company: **Dato' Abdul Halim Abdullah**		
RESOLUTION 10	To give an approval to a Directors who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company: **Dato' Hj Abdul Hamid Mustapha**		
RESOLUTION 11	To give an approval to a Directors who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company: **Dato' Abdul Malek Ahmad Shazili**		

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

Signed this ____________ day of ____________ 2013

____

Signature of Member / Common Seal

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint any person or persons, whether a member or not, as his/her proxy or proxies to attend and vote in his/her stead 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 25 November 2013 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.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
EDARAN BERHAD
No. 33-1 Jalan 2/76C
Desa Pandan
55100 Kuala Lumpur

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edaran

Business Office:
No. 2,4 & 6, Jalan 4/76C
Desa Pandan
55100 Kuala Lumpur
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
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