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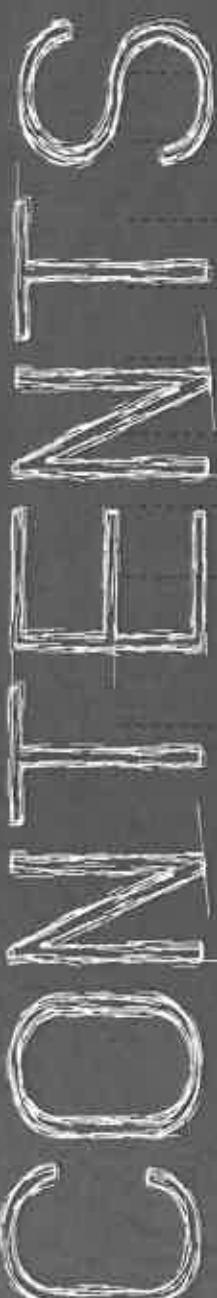
CONVERGING

WORLD

annual report 2014

edaran

A CONVERGING WORLD annual report 2014

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NOTICE OF
ANNUAL GENERAL MEETING

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Second Annual General Meeting of Edaran Berhad will be held on Wednesday, 26 November 2014 at Rafflesia 1, Level LG 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 2014 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. Tan Sri Dato' Tajudin Ramli | Resolution 1 |
| ii. Dato' Abdul Malek Ahmad Shazili | Resolution 2 |
| iii. Dato' Kamal Mohd Ali | 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 2014. | Resolution 5 |
| 5. To re-appoint Messrs. UHY 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:

"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
4 November 2014



NOTICE OF ANNUAL GENERAL MEETING

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 2014.

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:-

- each of them fulfills the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- having been with the Company for more than 9 year, each of them is familiar with the Company's business operations;
- each of them has during his tenure as Independent Non-Executive Director of the Comapny, devoted sufficient time and attention to discharge his responsibilities as such; and
- each of them has exercised due care during their tenure as Independent Directors of the Company and has carried out their duties in the interest of the Company and shareholders.

Subject to the passing of Resolutions 2 and 4, the proposed Resolutions 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:

- 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.
- Only members registered in the Record of Depositors on or before 5.00 p.m. as at 18 November 2014 shall be eligible to attend the meeting or appoint a proxy to attend and/or vote on such depositor's behalf.
- A corporation or a corporation sole or a statutory corporation may appoint any person as its representative.
- 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.
- 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 2014 and the attendance of the Directors thereat:-

1. Details of Board meetings held during the financial year

Date	Time	Venue
27 Aug 2013	10.00 a.m.	
23 Oct 2013	2.00 p.m.	
27 Nov 2013	2.00 p.m.	
27 Feb 2014	2.00 p.m.	
28 May 2014	3.00 p.m.	Board Room, No. 2 Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur.

2. Directors' attendance at Board meetings

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

Directors	Appointment	Attendance
Tan Sri Dato' Tajudin Ramli	01 Jun 1992	5/5
Datuk Emam Mohd Haniff Emam Mohd Hussain	30 Oct 2001	5/5
Dato' Abdul Halim Abdullah	15 Dec 2000	5/5
Dato' Abdul Malek Ahmad Shazili	06 Nov 2003	5/5
Dato' Hj Abdul Hamid Mustapha	06 Nov 2003	5/5
Dato' Lim Kheng Yew	12 Dec 2007	4/5
Dato' Kamal Mohd Ali	05 Apr 2012	5/5
Encik Azlan Mohd Agel	05 Apr 2012	4/5
Dato' Bistamam Ramli	15 Dec 2000	4/5
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 Second Annual General Meeting of Edaran Berhad are as follows:-

a. Retiring under Article 101 of the Company's Articles of Association.

i. **TAN SRI DATO' TAJUDIN RAMLI**

Chairman/Non-Independent, Non-Executive Director

ii. **DATO' ABDUL MALEK AHMAD SHAZILI**

Independent, Non-Executive Director

iii. **DATO' KAMAL MOHD ALI**

Non-Independent, Non-Executive Director

b. Retiring pursuant to Section 129 (6) of the Companies Act, 1965.

i. **DATUK EMAM MOHD HANIFF EMAM MOHD HUSSAIN**

Senior Independent, Non-Executive Director

The profiles of the Directors who are standing for re-election are set out on pages 12 to 16 of the Annual Report.





CORPORATE INFORMATION

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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

Tel: 03-9206 7200 Fax: 03-9284 3531

Auditors :

UHY (AF: 1411)

Suite 11.05, Level 11, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur

Tel: 03-2279 3088 Fax: 03-2279 3099

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

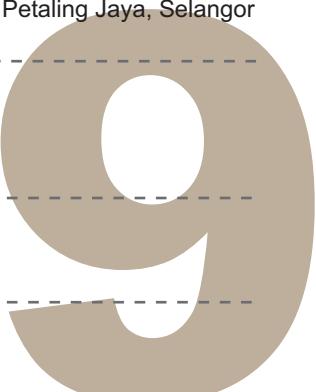
CIMB Bank Berhad

Bank Muamalat Malaysia Berhad

Listing :

Main Market

Bursa Malaysia Securities Berhad



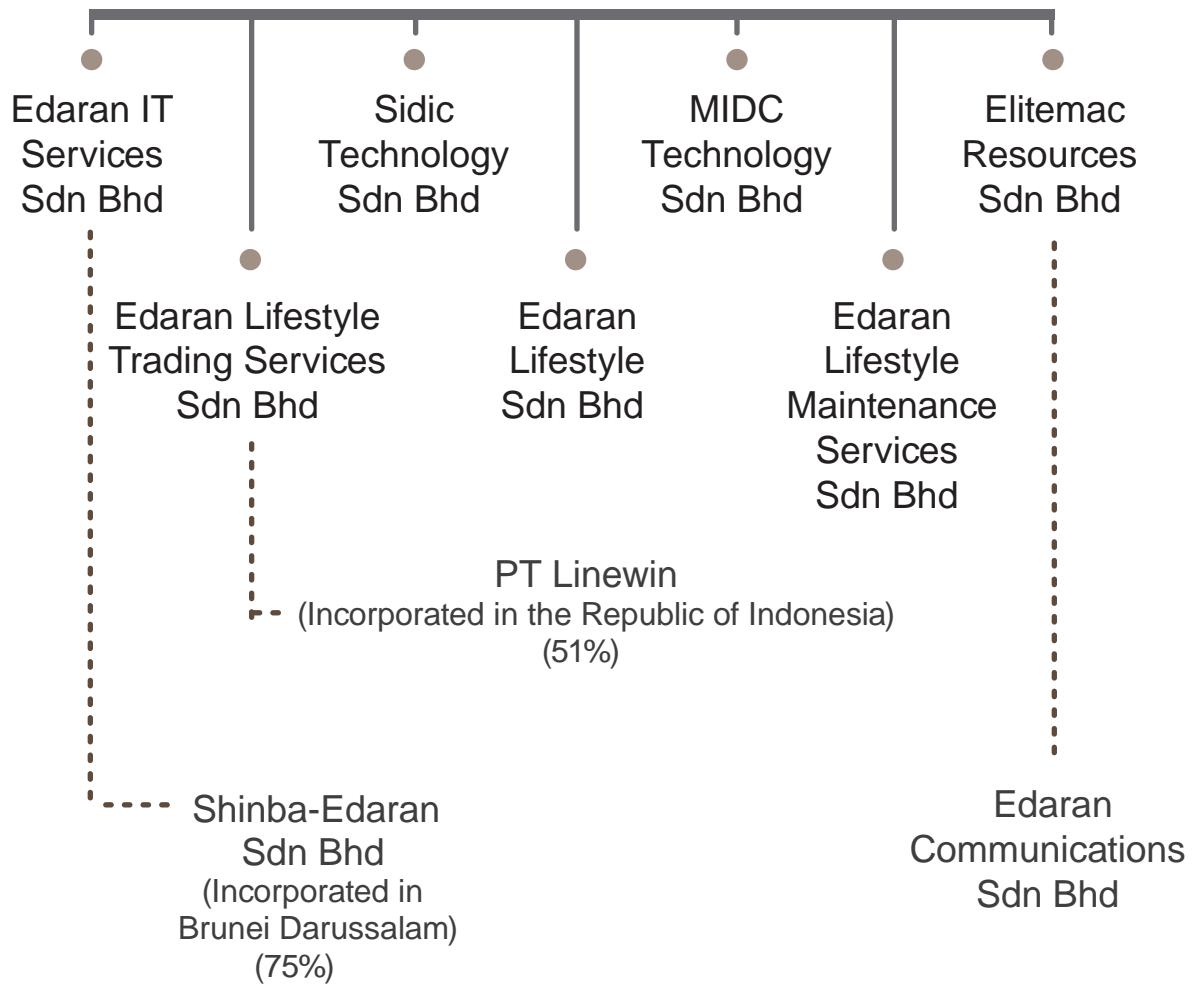


CORPORATE STRUCTURE

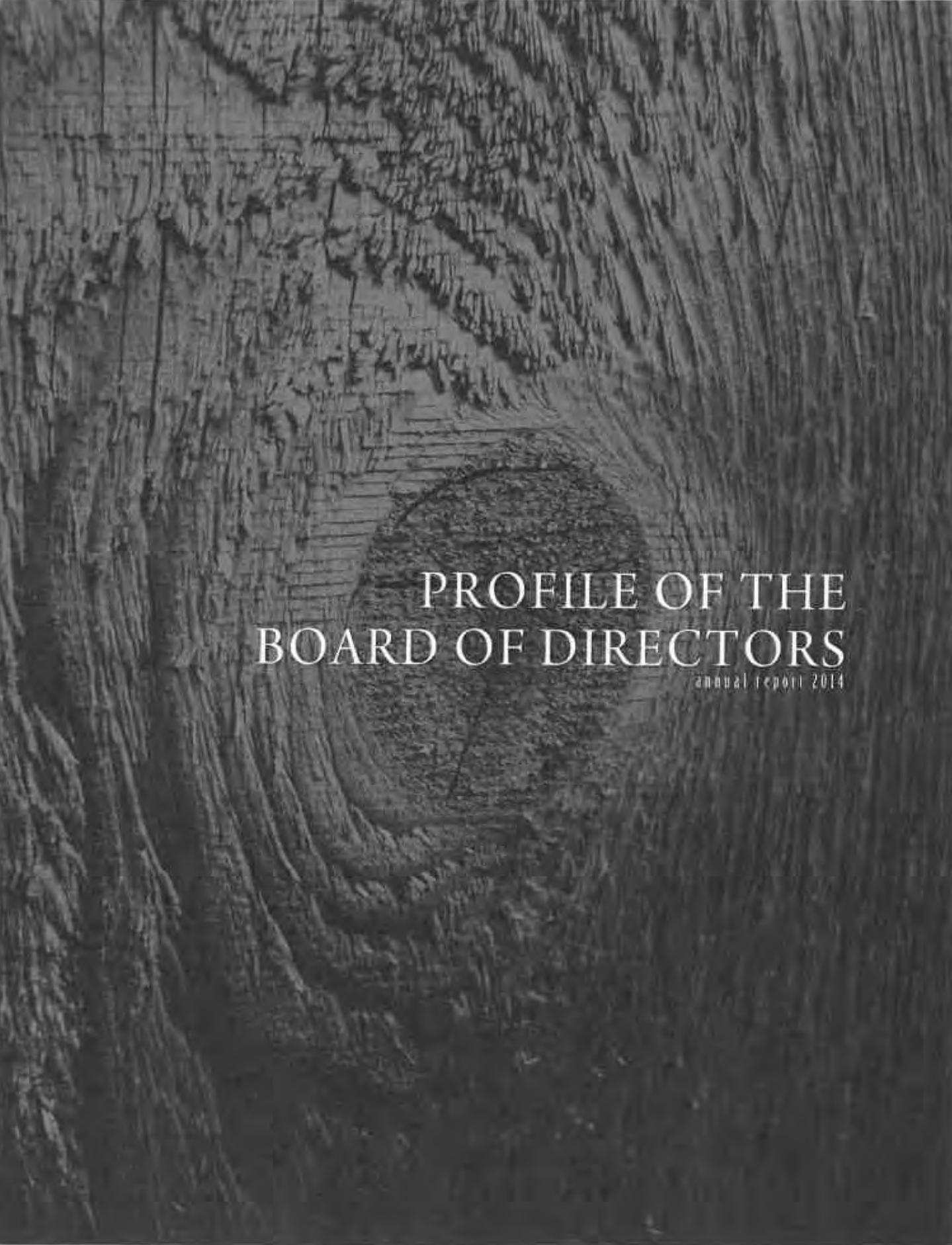
ABEBA report 2014

CORPORATE STRUCTURE

EDARAN BERHAD



Note: Unless stated, shareholding is 100%



PROFILE OF THE BOARD OF DIRECTORS

annual report 2014

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 68, 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 72 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 68, 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 67, 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 68, 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 63, 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 54, 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 Chief Operating Officer in Prokhas.

AZLAN MOHD AGEL

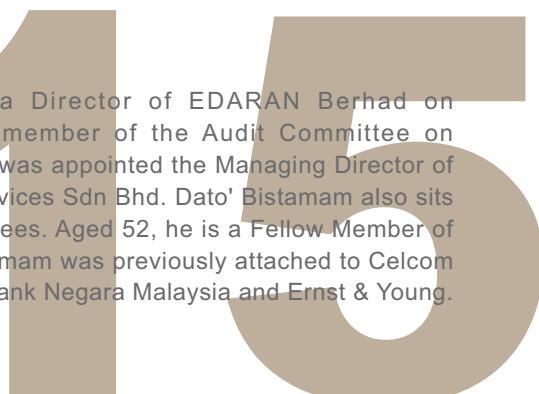
Non-Independent Non-Executive Director

Azlan Mohd Agel, aged 49, 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 52, 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 55, 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 Electrocon (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 39, was appointed to the Board of EDARAN Berhad on 23 May 2006. He was subsequently appointed the Executive Director of the Company on 28 February 2008. He holds an Engineering degree from Imperial College of Science, Technology and Medicine, London. He sits on several private companies, including Kauthar Sdn Bhd and was previously attached to Celcom (Malaysia) Berhad. He is the son of Tan Sri Dato' Tajudin Ramli.



MESSAGE FROM THE CHAIRMAN

ANNUAL REPORT 2014

MESSAGE FROM THE CHAIRMAN



Valued Shareholders and Partners

The financial year ended 30 June 2014 for EDARAN Berhad has drawn to a close and once again I have the honour and duty to present to you the Company's Financial Statement and Annual Report.

There is a decisive shift in the economic, demographic and psychographic indicators... Mobility is more and more the preferred medium of purchase. Social media the preferred communication channel, embedded technology for self service and convenience, cloud computing for agility and cost effectiveness, instant data to reach customers more speedily, supplemented or augmented reality to enhance customer experience.

Financial Performance

The Group recorded a total revenue of RM37.6 Million, a drop of 13.9 % from RM43.7 Million in the previous year. The lower revenue is attributed to the slow pick-up in fresh sales contracts over the last 12 months in review. The record of lower revenues was also a result of a smaller spend by existing customers, many of whom chose to defer upgrading works on their current IT systems and hardware. The Group's recorded loss after tax for the year in review stood at RM4.09 Million compared to RM1.14 Million for the previous financial year.

While Edaran IT Services continues to conscientiously attend to the on-going needs of its established and long term customers, it is keeping vigilance on its newer customers whose growth potential looks promising. The Company is also keeping an alert on the latent potential of small and medium sized accounts whose operations will increasingly hinge on efficient IT systems and software applications.

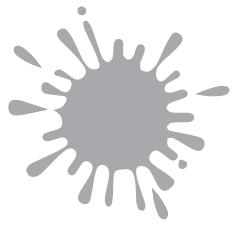
Tech is Expanding

Despite relatively slower progress over the last two years, EDARAN remains optimistic about its IT activities given the positive global trend in the industry. The Information Technology revolution is far from over. Indeed, its evolutionary growth may have just entered another phase. The proliferation of IT has yet to see epic and global proportions. The world's market dynamics are changing. There is a decisive shift in the economic, demographic and psychographic indicators.

Mobility is more and more the preferred medium of purchase. Social media the preferred communication channel, embedded technology for self service and convenience, cloud computing for agility and cost effectiveness, instant data to reach customers more speedily, supplemented or augmented reality to enhance customer experience. These are technology trends that are pervading our environments, taking centre stage in some of the leading enterprises of today and causing significant impact on the way traditional markets behave.

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MESSAGE FROM THE CHAIRMAN



A Converging World

Consumers of modern technology do not consciously differentiate between these trends and innovations. They are just extensions of his environment and his experience with the world around him, whether he is engaging in a bank transaction, buying something in a department store or at the hospital. All these technology need to work together to deliver a seamless customer experience. It is about the convenience of convergence.

Economic progress, growing competition, globalisation, increasingly tech savvy consumers, trend-setting lifestyles as well as mounting commoditisation of basic goods and services are driving technology to converge at a pace faster than anticipated. The inevitable trend of convergence that is being witnessed throughout the world is challenging IT services and solutions providers to constantly reform to adapt to the enduring demands of users of IT. In turn, consumers of IT services and products are putting relentless pressure on providers with companies and enterprises demanding single supplier for their information technology needs. In this escalating pace of life, individuals and companies logically prefer the convenience of dealing with a single source for their varied needs.

It is an exciting time for the industry and we at EDARAN recognise the wisdom in persevering and honing our competencies and reinforcing our relevance and experience in this era of technology convergence.

Economic progress, growing competition, globalisation, increasingly tech savvy consumers, trend-setting lifestyles as well as mounting commoditisation of basic goods and services are driving technology to converge at a pace faster than anticipated.

Looking To Asia - The Next Growth Frontier
With its combined population of more than 4 billion people, representing 60% of the world's population, buoyed by strong economic growth and a burgeoning middle class, Asia is undoubtedly the world's next growth frontier. Asia's growth momentum is driven by an increasing depth of talent and an increasing degree of *savoir-faire* among her young people. These individuals who make up the bulk of the growing middle and affluent class are on a fast track to join the globalised market. They expect to live better than their parents and expect their children to live better than themselves. They are looking for higher paying jobs, better

lifestyle, better medical care, better homes and better schools for their children. They want recreation and entertainment and generally a higher standard of living. Like their counterparts in developed nations of the West, the emerging Asians are demanding the latest technology can offer - high speed connectivity, mobility solutions, smartphones and internet access. They are progressively absorbed into social media, engaging the full options of conversation apps, photo and video sharing, games, micro blogging, search apps, business forums and a whole lot more.

*Asia's growth momentum is driven by an increasing depth of talent and an increasing degree of *savoir-faire* among her young people..... Like their counterparts in developed nations of the West, the emerging Asians are demanding the latest technology can offer - high speed connectivity, mobility solutions, smartphones and internet access.*

Asia – On A Mission To Join The Global Market

Not only is Asia witnessing some unprecedented boost in economic growth but she is also seeing dynamic changes on the political front which serve to further spur the economic development of their countries. The new political and business leaders of Asia, with their *laissez-faire* leadership styles and outlook are the promise of a modernised, converging and connected Asia.

These leaders recognise the need to transform their societies by transforming the way they engage with the rest of the world on the socio-economic front. They recognise that technology is the key enabler for the socio-economic advancement of their countries and their people. And they concede to the inevitable trend of convergence - the convergence of people, the integration of ideas and thoughts, the bridging of distances, the breaking down of barriers and fair access to information.

These huge populations of people are eager and raring to join the global market, to participate in the higher lifestyle and activities that modern and developed societies are enjoying. These emerging population of tech-hungry and digitally-influenced individuals is a market that cannot be ignored.

MESSAGE FROM THE CHAIRMAN

Asian business and political leaders recognise that technology is the key enabler for the socio-economic advancement of their countries and their people. And they concede to the inevitable trend of convergence - the convergence of people, the integration of ideas and thoughts, the bridging of distances, the breaking down of barriers and fair access to information.

Outlook and Prospects

The emergence of Asia as the next growth frontier and the reality of a converging world is promising developments for the Group. EDARAN is acutely conscious of the enviable geo-position of its physical presence. Established in Malaysia and located within South East Asia, straddling the crossroads of East and West Asia, EDARAN is primed to maximise the tremendous opportunities that are already presenting themselves in this part of the globe. EDARAN's foray into Brunei and Indonesia were early moves to brace itself for growth beyond Malaysia. Shinba Edaran and P.T Linewin, the Group's wholly owned subsidiaries have effectively extended the Group's presence in South East Asia.

Shinba Edaran which provides the same full spectrum of IT services as Edaran IT Services in Malaysia continues to sustain its presence in Brunei with a view to securing Brunei government-linked accounts.

P.T Linewin, domiciled in the northern Sumatran city of Medan, continues to expand upon its timber manufacturing activities in Sumatra, keeping an alert on fresh markets within Indonesia and the region.

Here on home ground, Edaran IT Services will move into a stronger position by leveraging on its strong fundamentals, large paid-up capital and its nation-wide presence. The company will also continue to bring to the fore, its technical skills and valuable technical certifications which have proven critical for project management. These core strengths are attractive attributes that IT partners look for. Acting as the principal provider of IT services and solutions and teaming up with various selected technology partners, Edaran IT Services is optimistic about selling into ASEAN and beyond. EDARAN sees a promising future as a key partner to big technology providers already established in the Asia Pacific.

South East Asia itself offers superb business opportunities. EDARAN recognises this potential and is equipping itself further to participate in this imminent growth.

In addition to its traditional services, the Group is looking keenly to participate in the social media space. The growing market in conversation apps, video and music streaming, social networking apps, search apps and the like cannot be disregarded. Once again, the key lies in securing the right technology provider and EDARAN's antennae are constantly searching out such suitable partners.

Established in Malaysia and located within South East Asia, straddling the crossroads of East and West Asia, EDARAN is primed to maximise the tremendous opportunities that are already presenting themselves in this part of the globe

Corporate Social Responsibility

The Group continues to be mindful of its duty to society as a corporate citizen. The Group's subsidiary P.T Linewin based in North Sumatra amply fulfils this responsibility through its everyday operations. I take the opportunity this year to share some of the socially responsible activities of this company.

As a company whose activities relate the growing, harvesting and processing of timber, P.T Linewin cannot have a better opportunity to discharge that responsibility to its utmost.

Beginning with the philosophy of giving back to nature what nature lends to you, P.T Linewin has ingrained in the minds of all its employees a sense of responsibility not just to their work but also to their immediate and extended environment. From source to end, P.T Linewin practises a code of ethics that ensures minimum destruction to environment and fullest benefit to humankind.

In its day to day activities, full consideration is given to the harvesting of precious trees for the timber. Clearing of land is executed systematically with full consideration for the safety of the workers, the well being of neighbouring communities and the state of the cleared land. The company enforces proper attire and equipment as well as schedules for staff whether on the field or in the factory to ensure minimal work risks to workers and that proper work procedures are followed. The riddance of residual material at harvest time and in the production plant adheres to good environmental practices. Open burnings for instance are strictly forbidden. And on a most fundamental level, its replanting policy is integral to the operations of the company.

MESSAGE FROM THE

CHAIRMAN

As a Group generally, EDARAN continues to champion the impartation of knowledge and skills. Its internship programme continues to provide fresh graduates the learning platform and opportunity to launch themselves into the real grind of the IT industry.

EDARAN's sense of duty in this area is integral to its Charter. Its overarching and guiding philosophy of "...hablimminAllah wa hablimminannas.." encourages every employee in the Group to relate well and respect all around him. The practices of the individuals in their work and relationship to partners and customers reflect the beliefs of the Company in the area of being socially responsible. Honest dealings, value for money and fair pricing are just some of the practices adopted to that end.

From source to end, P.T Linewin practises a code of ethics that ensures minimum destruction to environment and fullest benefit to humankind.

As a corporate citizen EDARAN is mindful of the responsibility to contribute in a direct manner to those less fortunate. This would involve the donation of funds and kind to selected charities.

EDARAN's sense of duty in this area is integral to its Charter. Its overarching and guiding philosophy of "...hablimminAllah wa hablimminannas.." encourages every employee in the Group to relate well and respect all around him.

Appreciation

I wish to express my thanks and appreciation to all stakeholders for their support and contribution to the Company.

Our valued customers have been the reason for our continuing to push ourselves in every aspect of the business. On behalf of the Board of Directors, the Management and staff , I thank you for your trust in us.

To our technology providers and financial partners , we are thankful for your confidence in us as a partner.

To the members of the Board, I wish to say thank you for sharing the challenges of steering this Company. Your

advice and support have not gone unnoticed or unappreciated.

And last but not least, to all the members of the staff, my deepest appreciation for believing in the Company and for continuing to give your level best to the Company through good and bad times. Thank you.

Yours sincerely



Tajudin Ramli

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OPERATIONS REVIEW

annual report 2014

OPERATIONS REVIEW

THE EDARAN GROUP

EDARAN is credited for implementing KDRM's (Kastam Diraja Malaysia) Information System (Sistem Maklumat Kastam) which was critical to the operations of the country's customs control and security.

IT Division

What began as a mission to provide employment opportunities to a glut of fresh IT graduates in the mid-80's, has today become an organisation recognised for its certified expertise and experience in the provision of IT services and solutions.

Today, 26 years on, EDARAN is a full-fledged IT services company providing a full spectrum of IT services and solutions, with unquestionable expertise in systems integration and maintenance. EDARAN looks back with gratitude on the nation's call in the early 80's for a higher level of computerisation in the public and private sectors, a call that prompted the Company to push ahead with its efforts to acquire all the necessary skills and knowledge to become relevant to the needs of the nation. One of EDARAN's more significant contribution towards the IT landscape in Malaysia has been its work on the IT environment of Kastam Diraja Malaysia (KDRM) or the Royal Malaysian Customs in the mid 80s. EDARAN is credited for implementing the organisation's Customs Information System (Sistem Maklumat Kastam) which was critical to the operations of the country's customs control and security. Till this present day, the SMK serves as KDRM's backbone information system, facilitating customs control in the import and export of goods at all entry points of the country.

The Company's early accomplishments in KDRM positioned it well and served as a springboard into the market. EDARAN launched itself with full confidence in its menu of capabilities, working with organisations in both the private and public sectors.

Building On Experience and Expertise

Over the last 25 years, EDARAN has built up its strengths on its past achievements, but remains mindful of the need to remain effective and relevant to an increasingly tech savvy market. A key strategy for EDARAN's IT Services to staying relevant and ahead of the competition is to secure the recognition and support of leading industry members. Edaran IT Services persevered in achieving critical certifications including the much coveted CMMI appraisal and the Microsoft Gold partnership. Edaran IT

Services achieved a commendable Level 3 in the challenging CMMI rankings. The Company also secured the recognition of IT leaders Dell and Hewlett-Packard. Edaran IT Services maintains its status as an MSC Malaysia company which firmly establishes the company in the leading ranks of the IT industry.

Today, Edaran IT Services casts its eye principally on the public sector, in particular, State Governments and State Government agencies. Edaran IT Services will focus on the IT environment within government administrative and financial operations, the education sector, public transportation services and public safety, in the main.

It also sees great potential in government linked companies (GLCs) and believes its record with the public sector augurs well for its endeavours with GLCs.

The Company lists several other sizeable organisations on its customer list, among which are University Technology MARA (UiTM), MYIPO-Patent Department and the Department of Muslim Syariah Court to name a few.

Edaran IT Services recognises that several government departments are looking to maximise the advantages of efficient IT for their respective operations. The Company has made inroads into a few of these government departments and is preparing to offer its full gamut of services to them. Apart from installing new hardware to supplement these organisations' IT environment, Edaran IT Services will look to opportunities to modernise legacy systems and to augment them with new features and software applications and thereafter, maintain the upgraded systems of these organisations.

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OPERATIONS REVIEW

“Edaran IT Services also recognises that with the burgeoning opportunities, the way forward and the better formula for sustainable progress is that of smart partnership and collaboration.

Innovative Solutions

Together with renowned and leading technology partners including long established leaders like Hewlett-Packard(Hp), FPT, Vietnam's leading ICT company and EMC Corporation, a US company headquartered in Massachusetts and a leader in cloud computing, Edaran IT Services has come up with some core solutions demanded by this digitally influenced age.

With its partners Edaran IT Services has developed its own Enterprise Application Integration solution. Enterprise Application Integration is essentially an integration framework composed of a collection of technologies and services which enable the integration of systems across an entire enterprise. Such a solution is more and more sought after by businesses which need to integrate and migrate multiple enterprise database.

Recognising the trend of convergence in IT, Edaran IT Services with its technology partners has developed what they name as Big Data Solution which provides solutions for the management and archiving of big data in converged infrastructure environment.

Cloud computing and Cloud services are key areas of focus for solutions development. With the track record and proven capabilities of EMC in this area, Edaran IT Services has successfully developed solutions that involve the packaging of multi tenant in a single cloud environment. 'Cloudification' offerings enable the migration of existing applications to a cloud environment.

The critical area of systems and data security is yet another key area of focus. VSaaS (Video Surveillance as a Service), for instance, is an information protection solution. Other eSecure solutions are being worked on and developed by the Company to facilitate the secure management of data and information.

Collaboration and Partnership

Edaran IT Services believes that the market will continue to remain fluid and dynamic, especially with the relentless trend of convergence in IT. However Edaran IT Services also recognises that with the burgeoning opportunities, the way forward and the better formula for sustainable progress is that

of smart partnership and collaboration. To that end the Company will constantly look out for suitable partners in technology know-how and other resources.

In return, Edaran IT Services contributes in the vital areas of project management, market penetration, customer support and the relevant and required technical skills and support.

Edaran IT Services sees potential in Asia especially in South East Asia and including China. While the Company will maximise opportunities that will spring from areas closer to home, North East Asia, China and India are still potentially areas that are a huge part of the Asian growth equation. Acutely aware of the importance of China and India's potential and influence, Edaran IT Services will continually upgrade its competencies and capabilities to be relevant in a bigger market.

EDARAN established a regional arm when it set up Shinba Edaran based in Bandar Seri Begawan, Brunei Darussalam. Equipped to execute the same full spectrum of IT services and solutions, Shinba-Edaran serves as an extension of Edaran IT Services, capturing and securing opportunities that arise outside of Malaysia and within the region.

Non IT Division

The pace has picked up for EDARAN's Non IT Division. Efforts in pursuing viable business activities are beginning to bear fruit particularly in the area of services and trading.

Manufacturing and Trading

P.T Linewin, the Group's timber manufacturing operations in Sumatra continue to be a focus for EDARAN. Increasing demand for timber is an encouraging sign for P.T Linewin. The company's produce, which includes processed timber planks as well a small amount of timber furniture is finding its way to the immediate market, that is Indonesia as well as the regional market. Trading activities have picked up and the momentum is anticipated to continue. P.T Linewin is looking to maximise opportunities arising from the Group's associated businesses.

“The possibilities for Elitemac may be limitless given the demand for efficient connectivity and the relentless need for transportation of data and information throughout the globe.

OPERATIONS REVIEW

Communications and Infrastructure Services

EDARAN's communications division represented by Elitemac has also been busy preparing the groundwork for future business activities in communications infrastructure services. Securing the NSP (Network Service Provider) and NFC (Network Facility Provider) licenses from the Malaysian Communication & Multimedia Commission early this year, has thrust the division into a busy state of affairs. Elitemac with strategic partners will work on establishing a fiber optic network stretching the length of the second link between Johor Baru and Singapore. The potential for Elitemac's infrastructure services is tremendous considering the ability to provide broadband networks and services to government institutions, enforcement agencies and local authorities to begin with. The possibilities for Elitemac may be limitless given the demand for efficient connectivity and the relentless need for transportation of data and information throughout the globe.

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FINANCIAL HIGHLIGHTS

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FINANCIAL HIGHLIGHTS

as at 30 June 2014

Five Years Group Financial Highlights

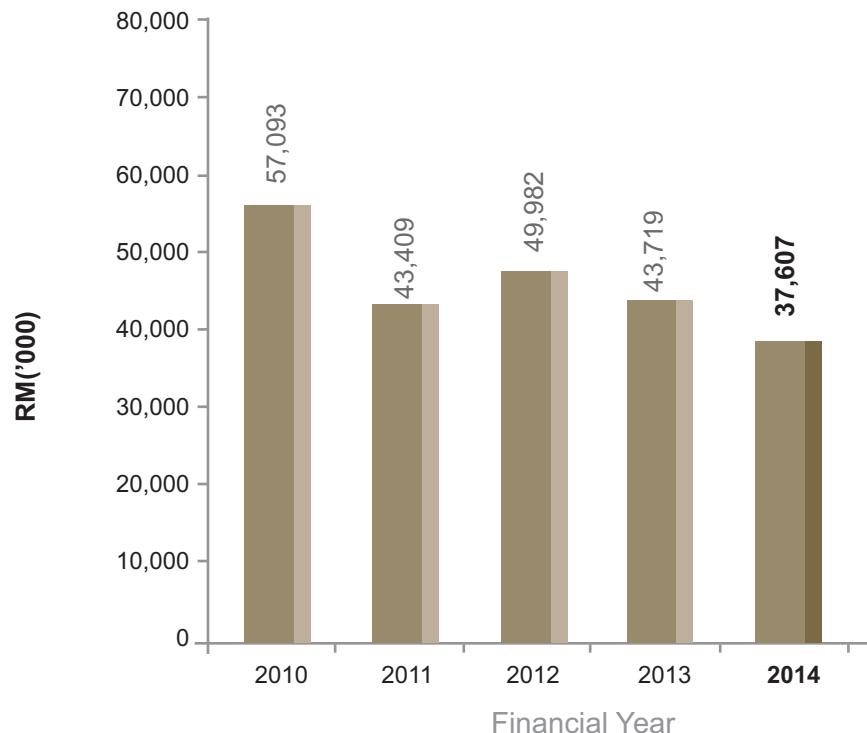
	2014 (RM'000)	2013 (RM'000)	2012 (RM'000)	2011 (RM'000)	2010 (RM'000)
INCOME STATEMENT					
REVENUE	37,607	43,719	49,982	43,409	57,093
(Loss) / Profit before taxation	(4,088)	(1,141)	(7,924)	(8,051)	54
Taxation	4.66	-	-	200	361
(Loss) / Profit after taxation	(4,092)	(1,141)	(7,924)	(7,851)	415
(Loss) / Earnings per share (sen)	(7.38)	(1.07)	(11.65)	(13.18)	0.69
BALANCE SHEET					
Shareholders' Fund	32,624	37,569	38,047	40,219	48,305
Net Current Assets	7,151	11,270	10,615	7,581	17,852
Total Assets	48,181	54,490	60,108	56,184	68,273
Long Term Debts	2,440	2,690	2,797	1,279	1,172
Net Assets per share (sen)	54	63	63	67	81

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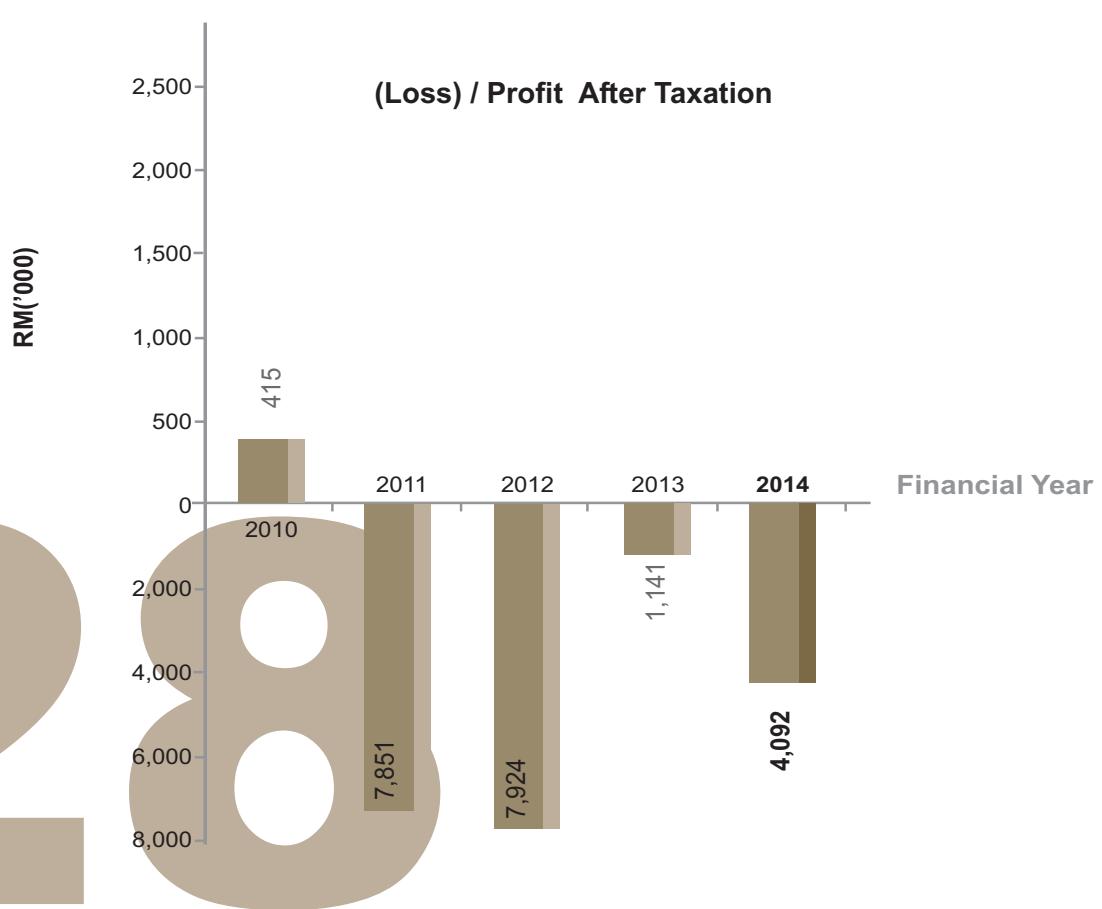
FINANCIAL HIGHLIGHTS

as at 30 June 2014

Revenue



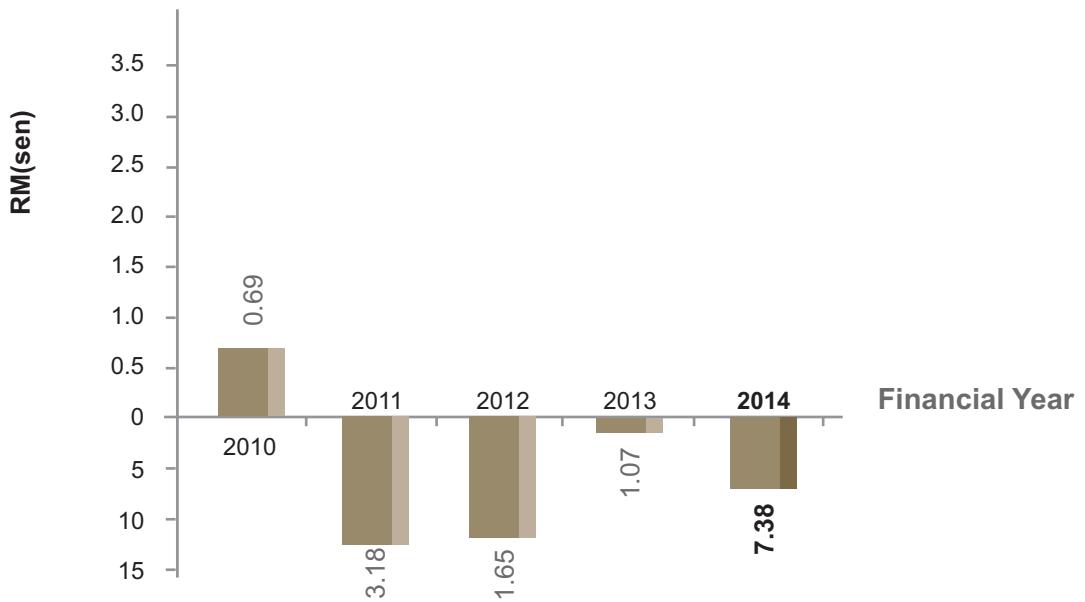
(Loss) / Profit After Taxation



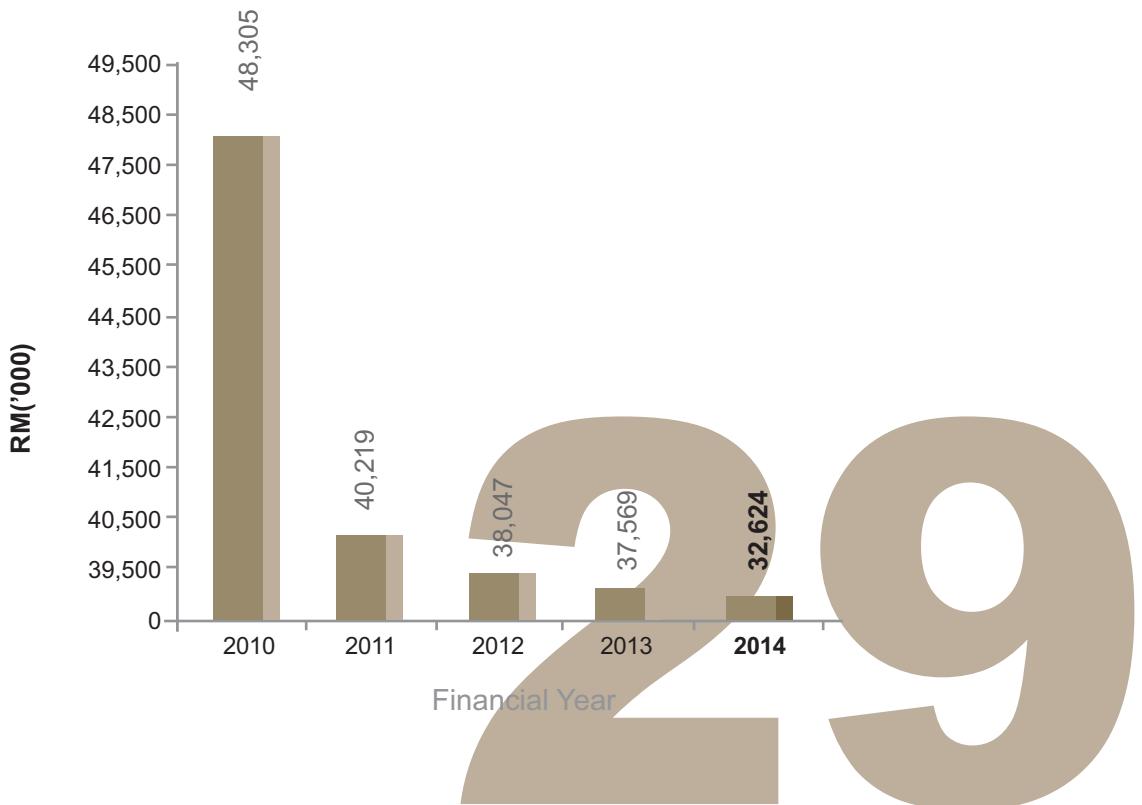
FINANCIAL HIGHLIGHTS

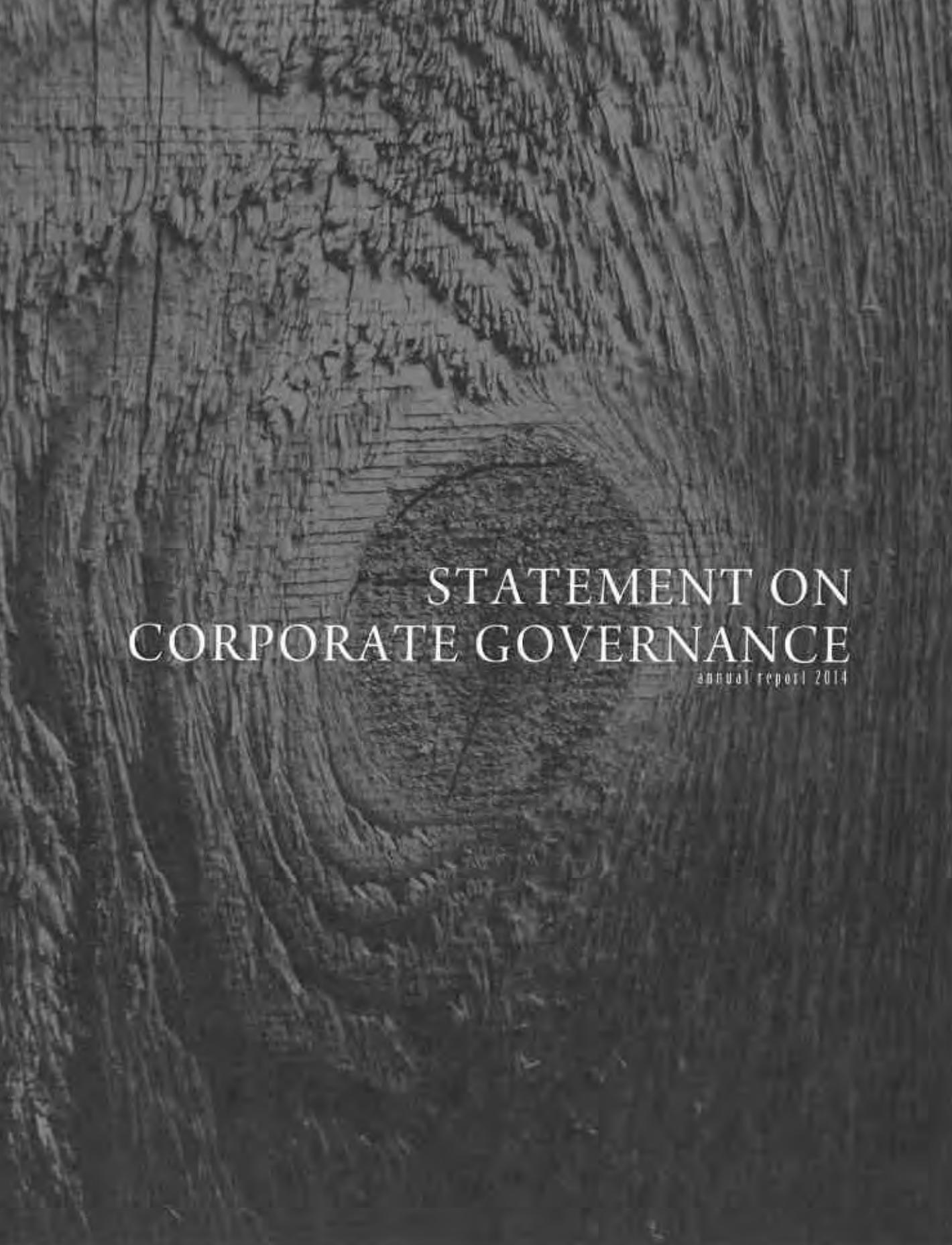
as at 30 June 2014

(Loss) / Earning per share (sen)



Shareholder's Fund





STATEMENT ON CORPORATE GOVERNANCE

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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 observed and practised 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.

In line with the above, the Company continues with various initiatives and measures in achieving the highest standard of good corporate governance. 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 2014, the Board held five meetings. All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the Bursa Securities Main Market Listing Requirements. The details of the Directors' attendance are laid out in the Statement Accompanying Notice of Annual General Meeting.

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

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

Appointments and Re-election of Directors

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

Chairman : Dato' Hj Abdul Hamid Mustapha

Members : Datuk Emam Mohd Haniff
Emam Mohd Hussain
Dato' Abdul Halim Abdullah
Dato' Lim Kheng Yew



STATEMENT ON CORPORATE GOVERNANCE

The Nominating Committee's responsibilities are as follows:

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

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

Directors' Training

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

On 27 February 2014, the Directors convened a session with the top Management to discuss on the impact of the Trans Pacific Partnership Agreement (TPPA) on the ICT industry and the Group specifically.

The Trans-Pacific Partnership (TPP) is a proposed regional free-trade agreement. As of 2014 twelve countries throughout the Asia-Pacific region have participated in negotiations on the TPP: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam. The TPP intends to enhance trade and investment among the TPP partner countries, to promote innovation, economic growth and development, and to support the creation and retention of jobs.

EDARAN Directors recognized that the TPP is an important issue to understand given the differing views surrounding its implementation, which were in a large part due to insufficient information about its

proceedings and discussions and, in part, because of the expansive scope of agreement. From EDARAN's perspective, the issues of intellectual property and copyright rights and enforcement that will adversely affect ability of creators to create content, users to use content and ability of technology to make innovative products are threats that must be looked into seriously.

The session proved to be insightful and most relevant to the Board. Moving forward, the Board will be more informed about the implications of the TPPA on the business and on the ICT as a whole.

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

STATEMENT ON CORPORATE GOVERNANCE

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 28 of the Financial Statements.

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

Chairman : Dato' Abdul Halim Abdullah

Members : Tan Sri Dato' Tajudin Ramli
Dato' Hj Abdul Hamid Mustapha
Dato' Lim Kheng Yew
Dato' Bistamam Ramli

The responsibilities of the Remuneration Committee are as follows:

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

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

3. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Investor Relations

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

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

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

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

The Group's website, 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.

STATEMENT ON CORPORATE GOVERNANCE

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

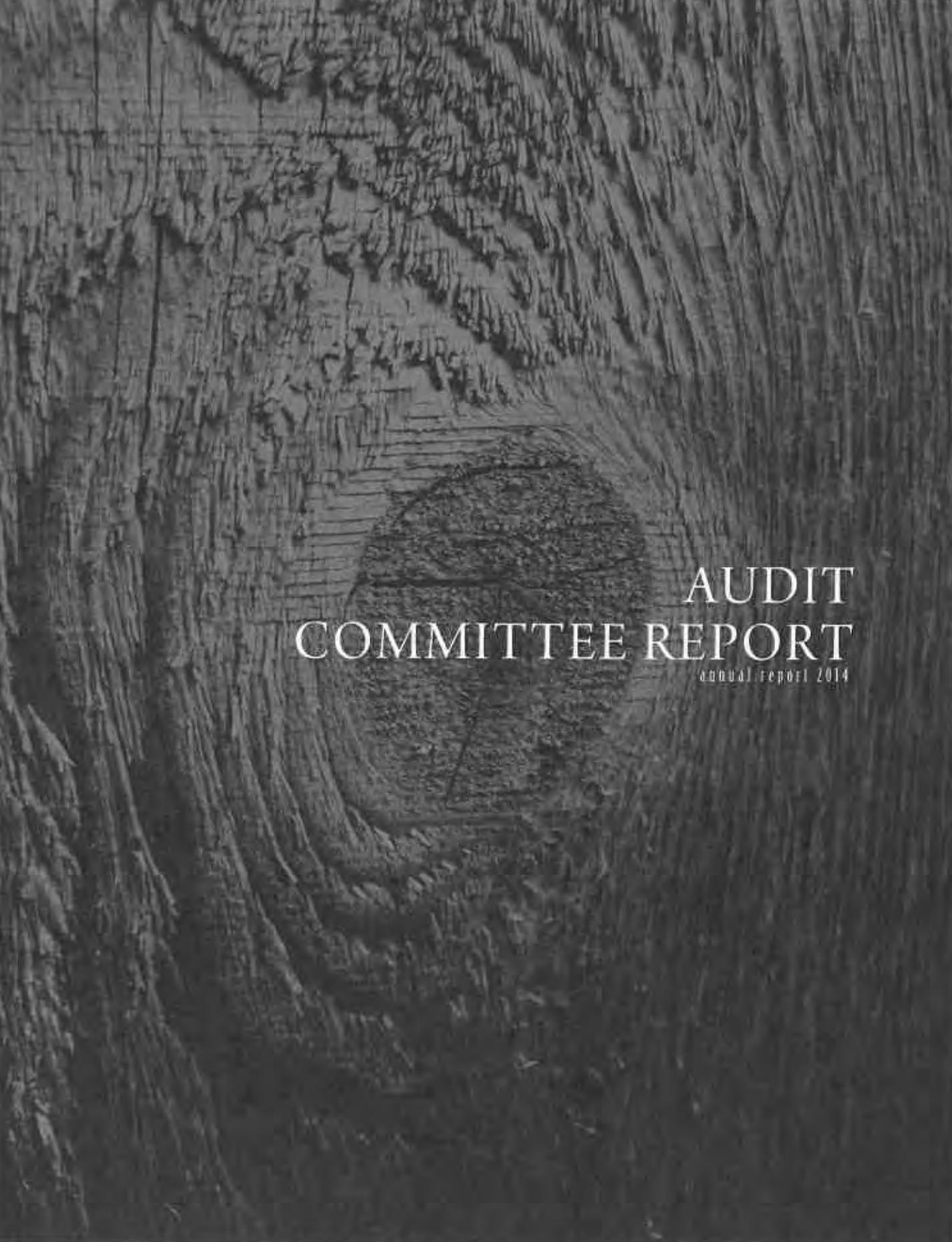
The role of the Audit Committee in relation to the external auditors may be found in the Audit Committee Report. The Group maintains a transparent relationship with its external auditors.

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

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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
03-13	26 August 2013	10.00 a.m
04-13	23 October 2013	10.00 a.m
05-13	27 November 2013	10.00 a.m
01-14	27 February 2014	10.00 a.m
02-14	28 May 2014	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	4 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 attended the meetings. Other Directors and senior personnel of the Group attended the meetings at the invitation of the Committee. As and when necessary, the external auditors were invited to 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 the management's responses thereon. 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 the 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 2013.
- Reviewed the draft announcements to the Bursa Malaysia Securities Berhad on the quarterly report of the Group for the financial quarters ended 30 June 2013, 30 September 2013, 31 December 2013 and 31 March 2014.



AUDIT COMMITTEE REPORT

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

4. TERMS OF REFERENCE

Quorum of Meeting

The majority of members present must be Independent Directors.

Frequency of Meeting

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

Functions

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

- Review with the external auditor, its audit plan.
- Review with the external auditor, its evaluation of the system of internal controls.
- Review with the external auditor, its audit report.
- Review the assistance given by the employees of the Company to the external auditor.
- Review the adequacy of the scope, functions, competency and resources of the internal audit functions and ensure that it has the necessary authority to carry out its work.
- Review the internal audit programme, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- Review the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on changes in or implementation of major accounting policy changes, significant or unusual events and compliance with accounting standards and other legal requirements.
- Review any related party transaction and conflict of interest situation that may arise within the Company or

Group including any transaction, procedure or course of conduct that raises questions of management integrity.

- Review any letter of resignation from the external auditor of the Company.
- Review whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.
- Review the external auditor's management letter and the management's response thereto.
- Review any appraisal or assessment of the performance of members of the internal audit function.
- Review any appointment or termination of senior staff members of the internal audit function.
- Review the appointment and remuneration of the external auditor each year and make recommendation thereon.
- To be informed of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning, if necessary.
- Consider the major findings of internal investigations and management's response thereto.
- Consider other topics as defined by the Board of Directors from time to time.
- Provide support, as deemed necessary, to the internal audit activities.
- Recommend the nomination of a person or persons as external auditor.

Access

The Audit Committee shall have:

- The authority to investigate any matter within its terms of reference.
- The resources, which are required to perform its duties.

AUDIT COMMITTEE REPORT

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

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 2014, 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.

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.

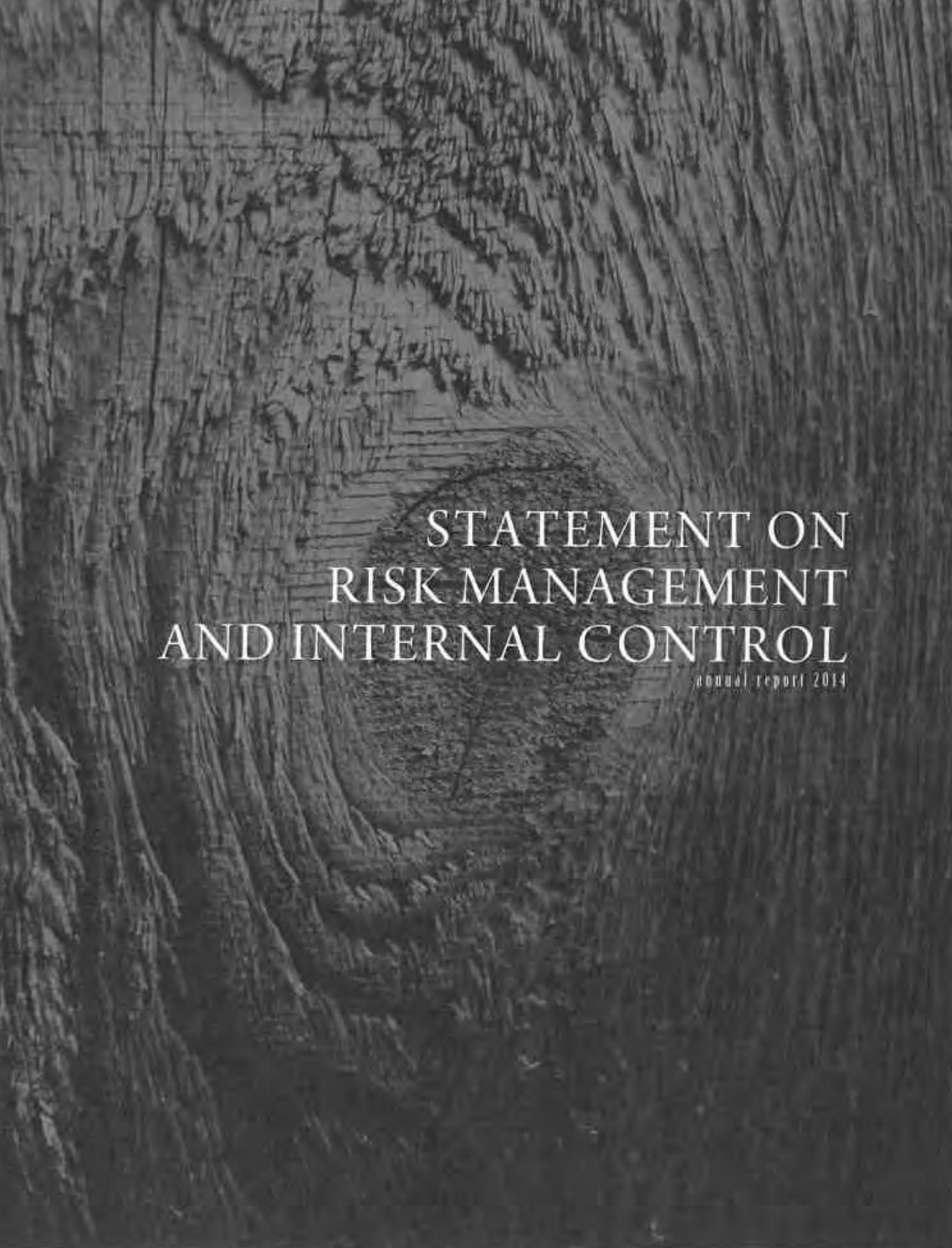
Retirement and Resignation

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 2014 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



STATEMENT ON
RISK MANAGEMENT
AND INTERNAL CONTROL

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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. process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls. The Board is of the view that there were no material losses, deficiencies or errors arising from any inadequacy or failure of the Group's internal control system that will require disclosure in the Annual Report. The Board continues to take measures to strengthen the system of internal control maintained by the Group and ensure shareholders' investment and Group's assets are consistently safeguarded.

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ADDITIONAL COMPLIANCE STATEMENT

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ADDITIONAL COMPLIANCE STATEMENT

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

1. Directors (as at 30 September 2014)

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 12 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 2014)

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 2014)

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 2014)

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 2014)

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 is a non-audit fee payable to Messrs. UHY Chartered Accountants for reviewing the Company's Statement of Risk Management and Internal Control for FY2014 as disclosed in Note 27 of the financial statement.

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 2014.

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.

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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 123 to 125 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 2014 are as follows:

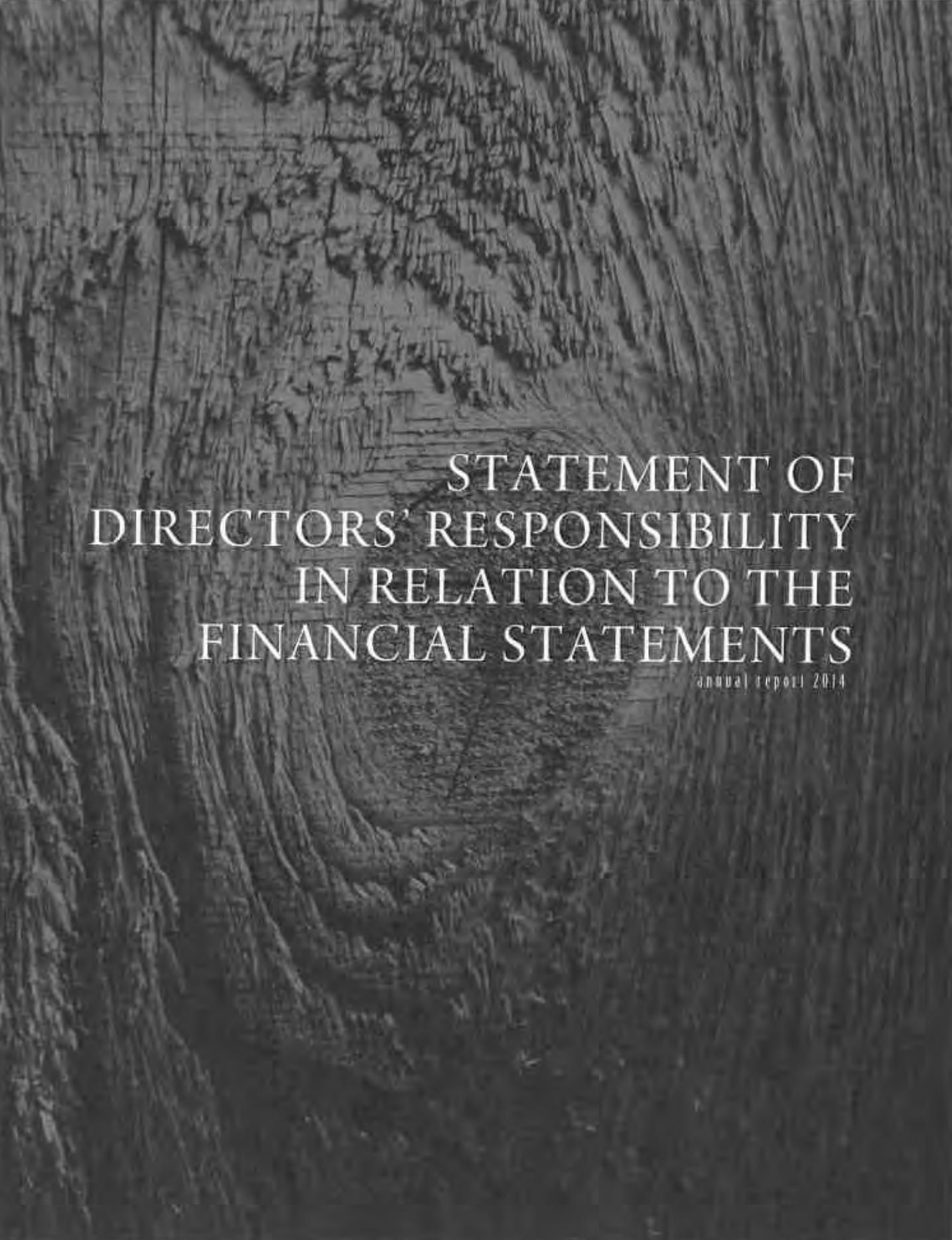
MONTH	NO. OF SHARES	% OF PAID-UP CAPITAL
MALAYSIAN		
Bumiputera	51,228,800	85.38
Non-Bumiputera	8,612,162	14.35
Total Malaysian	59,840,962	99.73
FOREIGN	159,038	0.27
TOTAL	60,000,000	100.00

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 2014, the amount owing from net trade debtors is approximately RM5.99 million (RM3.56 million FY 2013) of which the amount over the 365 days period is approximately RM55 thousand (RM69 thousand FY 2013).



STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

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STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

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

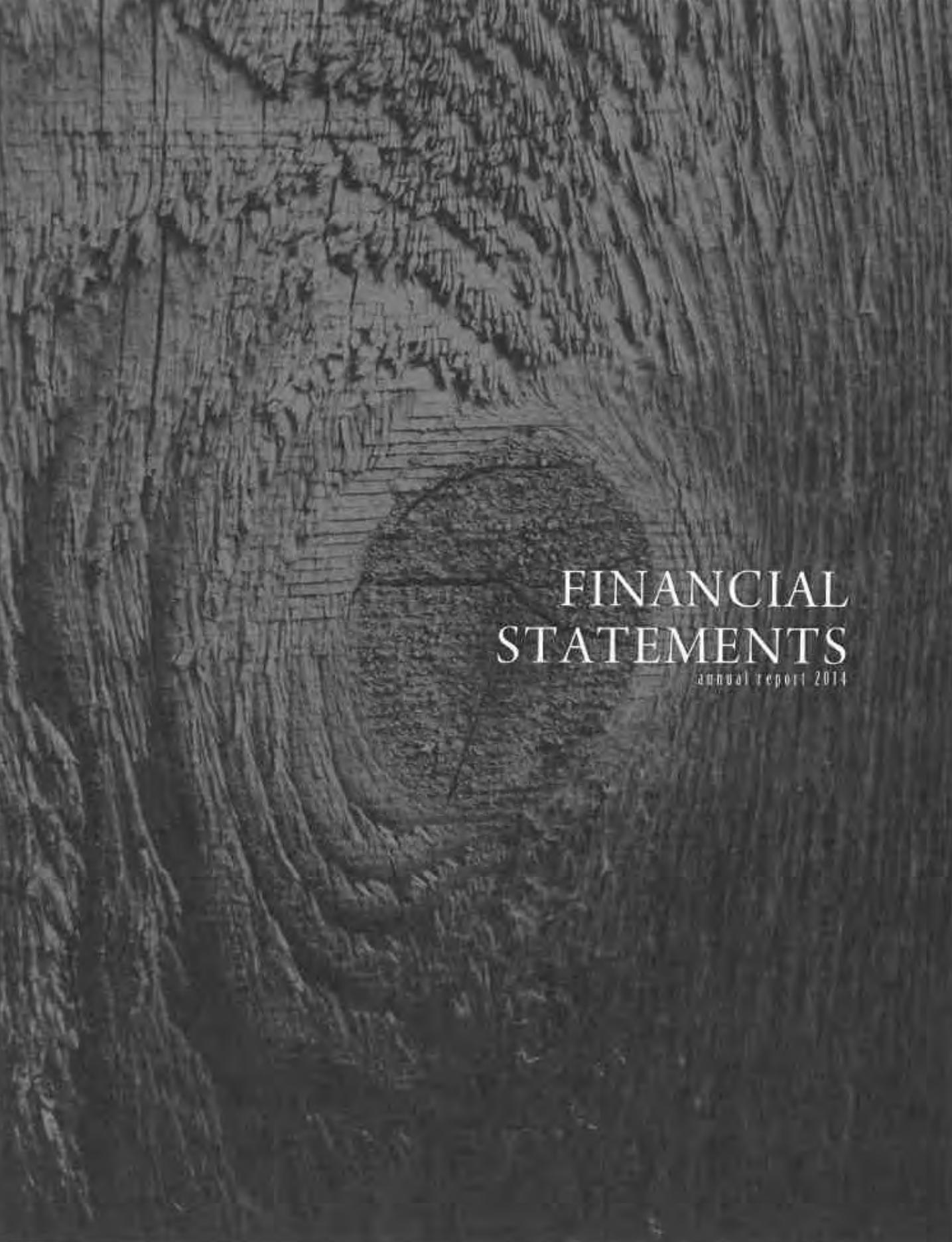
The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy so as to provide a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of their results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

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

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

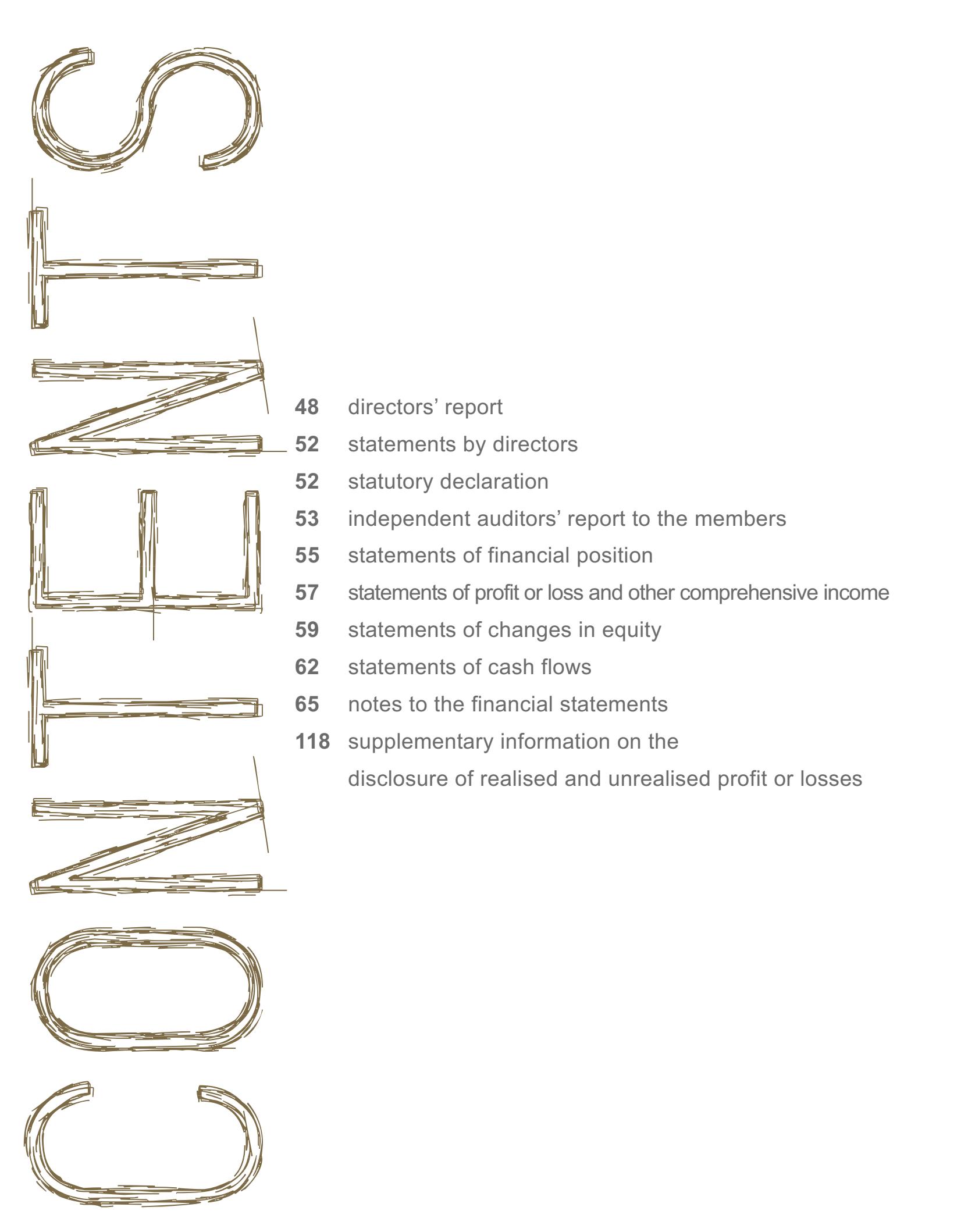
The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and Bursa Securities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

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



FINANCIAL STATEMENTS

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disclosure of realised and unrealised profit or losses

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group of the Company for the financial year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the provision of management services and investment holding. The principal activities of its subsidiary companies are disclosed in Note 5 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Net loss for the financial year	(4,092,374)	(1,973,567)
Attributable to:		
Owners of the parent	(4,272,532)	(1,973,567)
Non-controlling interests	180,158	-
	(4,092,374)	(1,973,567)

DIVIDEND

There were no dividend proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend 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 as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

TREASURY SHARES

As at 30 June 2014, the Company held 2,094,800 treasury shares out of the total 60,000,000 issued ordinary shares. Further relevant details are disclosed in Note 16 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors in office since the date of the last report are:

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 Shuaib Ishak
Fazlan Azri Tajudin
Dato' Kamal Mohd Ali
Azlan Mohd Agel



DIRECTORS' REPORT

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of Ordinary Shares of RM1 each			
	As at 1.7.2013	Bought	Sold	As at 30.6.2014
Interest in the Company				
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 (a)	4,730,832	-	-	4,730,832
Datuk Mohd Shu'aib Ishak (b)	60,000	-	-	60,000
Fazlan Azri Tajudin (c)	853,100	-	-	853,100

- (a) Deemed interest by virtue of his interest in Kauthar Sdn. Bhd. which holds 4,730,832 shares in the Company.
- (b) Deemed interest by virtue of the shares of the Company registered in the name of his spouse.
- (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.

By virtue of their interest in the shares of the Company, Tan Sri Dato' Tajudin Ramli, Datuk Mohd Shu'aib Ishak and Fazlan Azri Tajudin are also deemed interested in shares of all the subsidiary companies during the financial year to the extent the Company has an interest under section 6A of the Companies Act, 1965 in Malaysia.

None of the other Directors in office 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, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 32 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written-off and no allowance for doubtful debts was required; and
 - (ii) to ensure that any current assets which were unlikely to realise in the ordinary courses of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.
- (e) In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2014 have not been substantially affected by any item, transaction or event of a material and unusual nature, occurred in the interval between the end of the financial year and the date of this report.



DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance
with a resolution dated 21 October 2014.

Dato' Abdul Halim Abdullah

Dato' Bistamam Ramli

Kuala Lumpur

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of EDARAN BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 55 to 118 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 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in page 118 to the financial statements has been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 21 October 2014.

.....
DATO' ABDUL HALIM ABDULLAH

.....
DATO' BISTAMAM RAMLI

STATUTORY DECLARATION

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

I, DATO' BISTAMAM RAMLI, being the Director primarily responsible for the financial management of EDARAN BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 55 to 118 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the }
abovenamed at Kuala Lumpur in the }
Federal Territory on 21 October 2014 }
.....

Before me,

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.....
DATO' BISTAMAM RAMLI

.....
COMMISSIONER FOR OATHS

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDARAN BERHAD (241644 W) (Contd.)

(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 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 55 to 118.

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 risk assessments, we consider internal control relevant to the entity's preparation of 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 entity's internal control. An audit also includes evaluating the appropriateness of 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 of 30 June 2014 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.

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AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDARAN BERHAD (241644 W) (Contd.) (Incorporated 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 subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, as disclosed in Note 5 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiary companies 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.
- (d) The audit reports on the accounts of the subsidiary companies 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 on page 116 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 the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

The financial statements of the Group and of the Company for the financial year ended 30 June 2013 were audited by another auditor who expressed an unqualified opinion on those statements on 29 October 2013.

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.

UHY

Firm Number: AF1411
Chartered Accountants

LOH CHYE TEIK
Approved Number: 1652/8/16 (J)
Chartered Accountant

KUALA LUMPUR
21 October 2014

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STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014

Note	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
ASSETS				
Non-Current Assets				
Property, plant and equipments	4	24,822,803	26,379,168	4,302,521
Investment in subsidiary companies	5	-	-	28,008,155
Other investment	7	1	1	-
		24,822,804	26,379,169	32,310,676
				32,666,660
Current Assets				
Inventories	8	7,754,173	6,896,744	-
Amount due from contract customers	9	3,590,069	4,163,812	-
Trade receivables	10	5,993,834	3,564,185	-
Other receivables	11	2,339,228	2,462,272	316,981
Amount due from subsidiary companies	12	-	-	11,271,221
Dividend receivables		-	-	2,400,000
Fixed deposits with licensed banks, bank and cash balances	13	3,680,872	11,024,063	81,514
		23,358,176	28,111,076	14,069,716
Total Assets		48,180,980	54,490,245	46,380,392
				43,499,655
EQUITY				
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	5,846,029	5,900,533	-
Foreign currency translation reserve	18	(897,770)	(198,736)	-
Accumulated losses		(39,296,847)	(35,106,068)	(54,909,499)
Equity attributable to owners of the parent		32,624,456	37,568,773	12,063,545
Non-controlling interests		(3,090,607)	(2,609,470)	-
Total Equity		29,533,849	34,959,303	12,063,545
				14,037,112



STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014 (Contd.)

Note	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	19	1,934,798	1,962,047	-
Hire purchase payables	20	143,678	204,002	-
Bank borrowings	21	361,708	524,294	-
		2,440,184	2,690,343	-
Current Liabilities				
Amount due to contract				
customers	9	622,475	806,561	-
Trade payables	22	6,733,575	7,661,803	-
Other payables	23	3,422,206	3,485,895	2,313,386 2,304,363
Amount due to subsidiary				
companies	12	-	-	32,003,461 27,158,180
Hire purchase payables	20	106,769	174,558	-
Bank borrowings	21	5,321,922	4,711,782	-
		16,206,947	16,840,599	34,316,847 29,462,543
Total Liabilities		18,647,131	19,530,942	34,316,847 29,462,543
Total Equity and Liabilities		48,180,980	54,490,245	46,380,392 43,499,655

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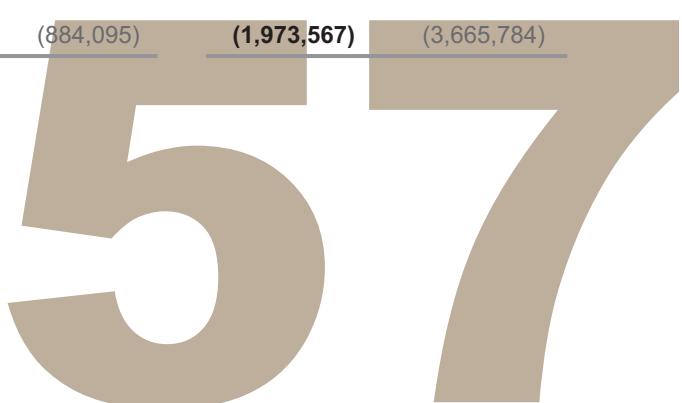
The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	24	37,606,991	43,719,339	1,448,000	2,248,000
Cost of sales	25	(27,696,677)	(32,245,385)	-	-
Gross profit		9,910,314	11,473,954	1,448,000	2,248,000
Other income		604,959	5,136,857	586,704	537,811
Administrative expenses		(9,869,806)	(10,805,156)	(2,642,952)	(2,634,253)
Selling and marketing expenses		-	(159,173)	-	(159,173)
Other expenses		(4,322,181)	(6,419,593)	(1,365,319)	(3,658,169)
Loss from operation		(3,676,714)	(773,111)	(1,973,567)	(3,665,784)
Finance costs	26	(411,003)	(367,702)	-	-
Loss before taxation	27	(4,087,717)	(1,140,813)	(1,973,567)	(3,665,784)
Taxation	29	(4,657)	-	-	-
Net loss for the financial year		(4,092,374)	(1,140,813)	(1,973,567)	(3,665,784)

Other comprehensive income / (loss)

Items that will not be reclassified subsequently to profit or loss				
Crystallisation of deferred tax liability on revaluation reserve	29	27,249	27,251	-
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		(1,360,329)	231,666	-
Loss on changes in fair value of available-for-sale investments		-	(2,199)	-
Total other comprehensive (loss) / income for the financial year		(1,333,080)	256,718	-
Total comprehensive loss for the financial year		(5,425,454)	(884,095)	(1,973,567)
				(3,665,784)



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Contd.)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Net loss for the financial year attributable to:				
Owners of the parent	(4,272,532)	(619,005)	(1,973,567)	(3,665,784)
Non-controlling interests	180,158	(521,808)	-	-
	<u>(4,092,374)</u>	<u>(1,140,813)</u>	<u>(1,973,567)</u>	<u>(3,665,784)</u>
Total comprehensive loss attributable to:				
Owners of the parent	(4,944,317)	(478,635)	(1,973,567)	(3,665,784)
Non-controlling interest	(481,137)	(405,460)	-	-
	<u>(5,425,454)</u>	<u>(884,095)</u>	<u>(1,973,567)</u>	<u>(3,665,784)</u>
Loss per share				
Basic loss per share (sen)	30	<u>(7.38)</u>	<u>(1.07)</u>	

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The accompanying notes form an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2014

ATTRIBUTABLE TO OWNERS OF THE PARENT

Group	Non-distributable						Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Available-for-sale Reserve RM	Treasury Shares RM				
At 1 July 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
Net loss for the financial year	-	-	-	-	-	-	(619,005)	(619,005)	(521,808)	(1,140,813)
Other comprehensive income for the financial year	-	-	27,251	115,318	(2,199)	-	-	140,370	116,348	256,718
Total comprehensive loss for the financial year	-	-	27,251	115,318	(2,199)	-	(619,005)	(478,635)	(405,460)	(884,095)
Realisation of revaluation reserve	-	-	(81,752)	-	-	-	81,752	-	-	-
At 30 June 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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Contd.)

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ATTRIBUTABLE TO OWNERS OF THE PARENT

Group	Non-distributable						Total Equity RM
	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Treasury Shares RM	Accumulated Losses RM	
At 1 July 2013	60,000,000	8,022,580	5,900,533	(198,736)	(1,049,536)	(35,106,068)	37,568,773
Net loss for the financial year	-	-	-	-	-	(4,272,532)	(4,272,532)
Other comprehensive loss for the financial year	-	-	27,249	(699,034)	-	-	(671,785)
Total comprehensive loss for the financial year	-	-	27,249	(699,034)	-	(4,272,532)	(4,944,317)
Realisation of revaluation reserve	-	-	(81,753)	-	-	81,753	-
At 30 June 2014	60,000,000	8,022,580	5,846,029	(897,770)	(1,049,536)	(39,296,847)	32,624,456
							(3,090,607)
							29,533,849

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Contd.)

ATTRIBUTABLE TO OWNERS OF THE PARENT					
Company	Non-distributable		Treasury Shares RM	Accumulated Losses RM	Total Equity RM
	Share Capital RM	Share Premium RM			
At 1 July 2012	60,000,000	8,022,580	(1,049,536)	(49,270,148)	17,702,896
Total comprehensive loss for the financial year	-	-	-	(3,665,784)	(3,665,784)
At 30 June 2013	60,000,000	8,022,580	(1,049,536)	(52,935,932)	14,037,112
At 1 July 2013	60,000,000	8,022,580	(1,049,536)	(52,935,932)	14,037,112
Total comprehensive loss for the financial year	-	-	-	(1,973,567)	(1,973,567)
At 30 June 2014	60,000,000	8,022,580	(1,049,536)	(54,909,499)	12,063,545

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation				
Loss before taxation	(4,087,717)	(1,140,813)	(1,973,567)	(3,665,784)
Adjustment for:				
Depreciation of property, plant and equipment	1,795,879	2,329,323	791,200	818,733
Interest expenses	411,003	367,702	-	-
Impairment loss on investment				
in subsidiary companies	-	-	-	2,214,078
Loss/(Gain) on disposal of				
property, plant and equipment	6,816	208,895	-	(17)
Dividend income	-	-	(800,000)	(1,600,000)
Gain on disposal of other				
investment	-	(49,999)	-	-
Gain on disposal of asset held				
for sales	-	(4,440,461)	-	-
Interest income	(141,377)	(245,248)	(586,704)	(537,794)
Unrealised gain on foreign exchange	(36,407)	-	-	-
Reversal of				
impairment loss on receivables	-	(35,381,978)	-	-
Operating loss before working				
capital changes	(2,051,803)	(38,352,579)	(2,569,071)	(2,770,784)
Changes in working capital				
Inventories	(857,429)	(3,341,552)	-	-
Amount due from / (to) contract customers	389,657	(2,551,887)	-	-
Receivables	(2,270,198)	36,639,885	(53,135)	(59,625)
Payables	(991,917)	(4,254,892)	9,023	8,534,877
Cash (used in) / generated from operations	(5,781,690)	(11,861,025)	(2,613,183)	5,704,468
Interest paid	(411,003)	(367,702)	-	-
Interest received	141,377	245,248	586,704	537,794
Tax paid	(4,657)	-	-	-
Net cash (used in) / generated from operating activities	(6,055,973)	(11,983,479)	(2,026,479)	6,242,262

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Contd.)

Note	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment				
4(d)	(611,874)	(975,163)	(35,216)	(19,564)
Additional investment in subsidiary companies		-	(400,000)	(6,257,671)
Proceeds from disposal of assets held for sale		13,085,605	-	-
Proceeds from disposal of other investment		50,000	-	-
Proceeds from disposal of property, plant and equipment	60,353	101,695	-	351
Net cash (used in)/generated from investing activities	(551,521)	12,262,137	(435,216)	(6,276,884)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advance from subsidiary companies	-	-	2,537,869	-
(Decrease)/Increase in fixed deposits pledged as security with licensed banks	(443,513)	4,912,218	-	-
Repayments of hire purchase payables	(177,407)	(544,807)	-	-
Proceeds/(Repayment) of bank borrowings	653,187	(479,871)	-	-
Net cash generated from financing activities	32,267	3,887,540	2,537,869	-

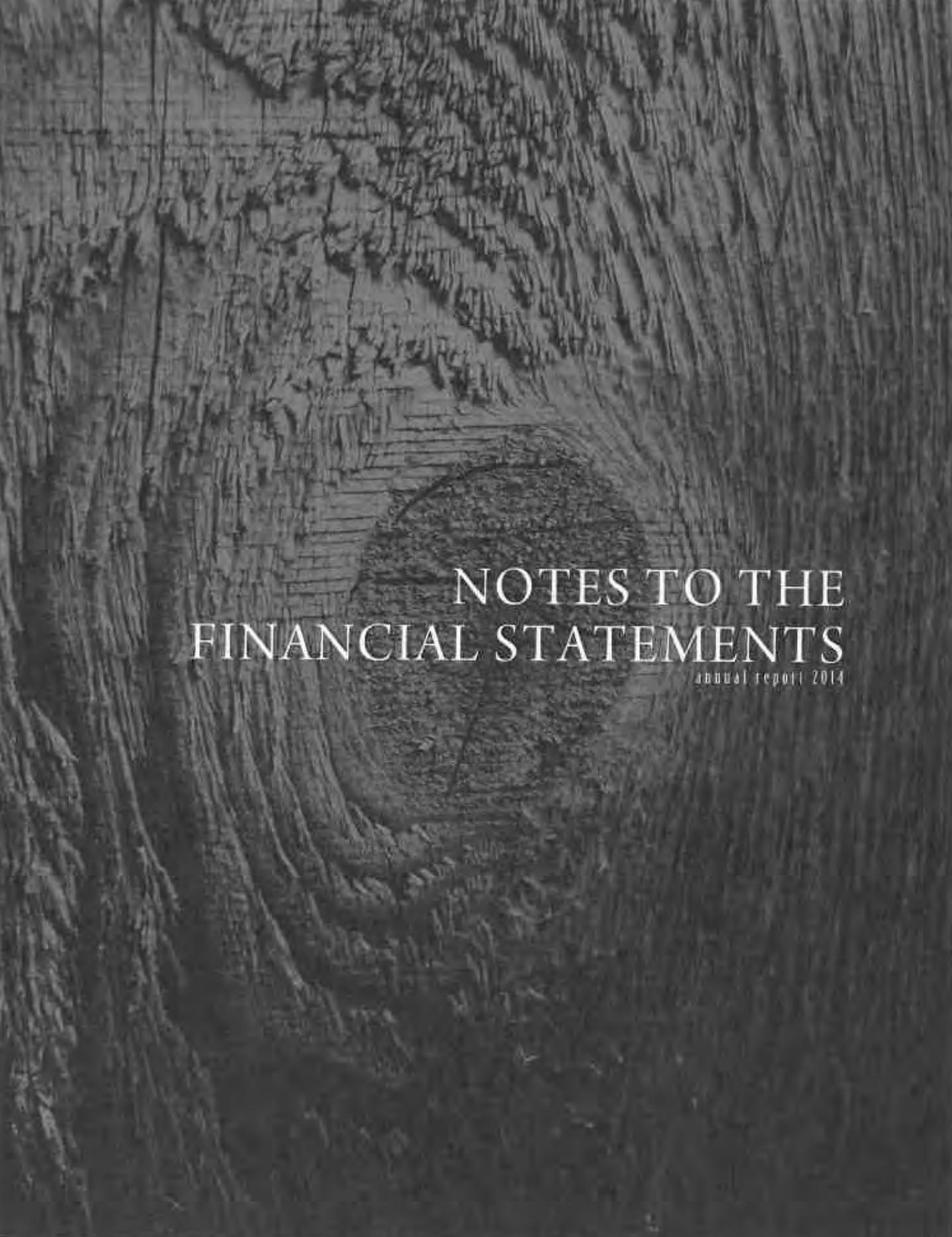
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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Contd.)

Note	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS				
	(6,575,227)	4,166,198	76,174	(34,622)
Cash and cash equivalents at beginning of the financial year	5,542,288	1,165,786	5,340	39,962
Effect of exchange translation differences on cash and cash equivalents	(1,136,149)	210,304	-	-
Cash and cash equivalents at end of the financial year	(2,169,088)	5,542,288	81,514	5,340
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR COMPRIZE:				
Cash and bank balances	13	419,618	517,010	81,514
Fixed deposits with licensed banks	13	3,261,254	10,507,053	-
Bank overdrafts	21	(3,212,030)	(3,287,358)	-
		468,842	7,736,705	81,514
Less: Fixed deposits pledged as security with licensed banks	13	(2,637,930)	(2,194,417)	-
		(2,169,088)	5,542,288	81,514

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The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

annual report 2014

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 the Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at No. 2, 4, & 6, Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur.

The registered office of the Company is located at No.33-1, Jalan 2/76C, Desa Pandan, 55100 Kuala Lumpur.

The principal activities of the Company consist of the provision of management services and investment holding. The principal activities of its subsidiary companies are disclosed in Note 5 to the financial statements.

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

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

During the financial year, the Group and the Company have adopted the following applicable new MFRSs, Issues Committee ("IC") Interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Consolidated and separate Financial Statements (IAS 27 revised by IASB in March 2003)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Interpretation 20	Stripping Costs in the Production of a Surface Mine
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRSs 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income

Amendments to MFRSs contained in the document entitled "Annual Improvements 2009 - 2011 Cycle".

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Contd.)

(a) Statement of compliance (Contd.)

The effects of the adoption of applicable MFRSs and amendments to MFRSs above are summarised below:

(a) MFRS 10 Consolidated Financial Statements

Under MFRS 10, an investor controls an investee when the investor has:

- (i) The power by investor over an investee;
- (ii) Exposure, or rights, to variable returns from investor's involvement with the investee; and
- (iii) Ability to affect those returns through its power over investee.

This new control model differs from how previously companies were assessed to be a subsidiary. Under MFRS 127, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Upon adoption of the two new MFRSs, the Group has reviewed the relationships with its investments in other entities to assess whether the conclusion to consolidate is different under MFRS 10 than under MFRS 127, and noted no material differences were found for any of the investments.

As required under MFRS 10, the change in policy has been applied retrospectively.

(b) MFRS 12 Disclosure of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

(c) MFRS 127 Separate Financial Statements (as amended by IASB in May 2011)

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, joint controlled entities and associates in separate financial statements. This standard affects disclosures only and has no impact on the Group's financial position or performance.

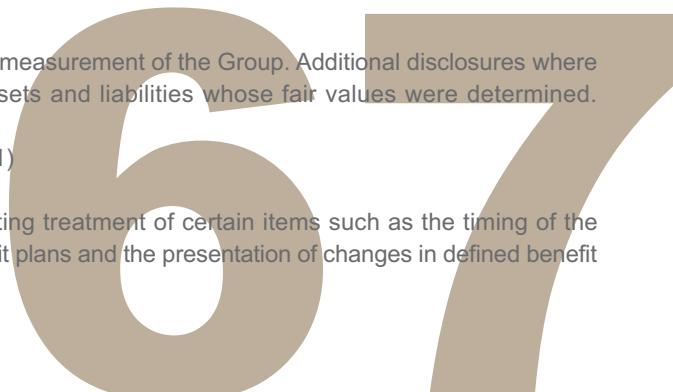
(d) MFRS 13 Fair Value Measurement

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. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

Application of MFRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

(e) MFRS 119 Employee Benefits (as amended by IASB in June 2011)

The adoption of the revised MFRS 119 has affected the accounting treatment of certain items such as the timing of the recognition of actuarial gains and losses arising from defined benefit plans and the presentation of changes in defined benefit liability or asset. The key changes include:



NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Contd.)

(a) Statement of compliance (Contd.)

- Actuarial gains and losses (renamed as 'remeasurements') are recognised immediately in other comprehensive income, and are not subsequently recycled to statement of profit or loss. The corridor approach for accounting for unrecognised actuarial gains in prior years is discontinued.
- Past service costs, whether unvested or already vested, are recognised immediately in the statement of profit or loss as incurred and the annual defined benefit costs in the statement of profit or loss will include net interest expense/income on the defined benefit asset/liability.

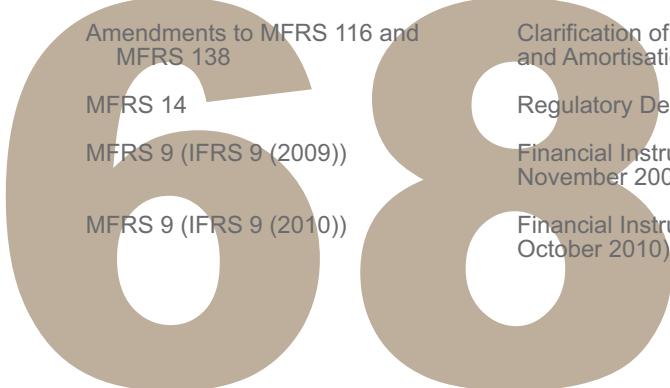
The adoption of this revised MFRS 119 has resulted in changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.

(f) Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time have to be presented separately from items that will not be reclassified. The amendments affect presentation only and have no impact on the Group's financial position or performance.

The Group and the Company have not applied the following MFRSs that have been issued by the MASB but are not yet effective for Group and the Company:

		Effective date for financial periods beginning on or after
Amendments to MFRS 10, 12 and 127	Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosure for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124 and MFRS 138	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendments to MFRS 3, MFRS 13 and MFRS 140	Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced by MASB
MFRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced by MASB



NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Contd.)

(a) Statement of compliance (Contd.)

The Company have not applied the following MFRSs that have been issued by the MASB but are not yet effective for the Company: (Contd.)

	Effective date for financial periods beginning on or after
MFRS 9 (Mandatory Effective Date of MFRS 9 and Transition Disclosures)	To be announced by MASB
MFRS 9 Financial Instruments	To be announced by MASB

The Group and the Company intends to adopt the abovementioned accounting standards, amendments and interpretations when they become effective.

The initial applications of the abovementioned accounting standards, amendments and interpretations are not expected to have any financial impacts to the financial statements of the Group and of the Company except as discussed below:

MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 (2009)) replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on classification and measurement of financial asset. MFRS 9 requires financial asset to be measured at fair value or amortised cost. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

MFRS 9 (IFRS 9 (2010)) includes the requirements for the classification and measurement of financial liabilities and for derecognition. Measurement for financial liability designated as at fair value through profit or loss, requires the amount of change in the fair value of the financial liability, that is attributable to the change of credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Under MFRS 139, the entire amount of the change in fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

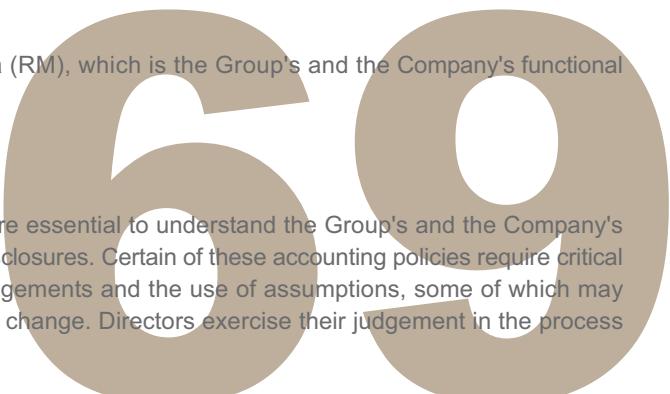
The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

(b) Functional and presentation currency

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

(c) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's accounting policies.



NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Contd.)

(c) Significant accounting estimates and judgements (Contd.)

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Useful lives of property, plant and equipment

Management estimates the useful lives of property, plant and equipment to be within 3 to 50 years and reviews the useful lives of depreciable assets at end of each reporting period. At 30 June 2014 management assesses that the useful lives represent the expected utilisation of the assets to the Group. Actual results, however, may vary due to change in the business plan and strategies, expected level of usage and technological developments, which resulting the adjustment to the Group's assets. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

Impairment of goodwill on consolidation

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of investments in subsidiary companies

The carrying amounts of investments in subsidiary companies and the related goodwill are reviewed for impairment. In the determination of the value in use of the investments, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiary companies as at 30 June 2014 is disclosed in Note 5.

Revaluation of properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers. The independent professional valuers have exercised judgment in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgment has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (Contd.)

(c) Significant accounting estimates and judgements (Contd.)

Impairment of loan and receivables

The Group assesses at end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Construction Contracts

The Group recognises construction contracts based on stage of completion method. Revenue recognised from construction contracts reflects management's best estimate about each contract's outcome and stage of completion. The Group assesses the profitability of on-going construction contracts and the order backlog at least monthly, using project management procedures. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on this understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Inventories written down

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies, which have been prepared in accordance with the Group's accounting policies, and are all drawn up to the same reporting period.

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(ii) Consolidation

The acquisition method of accounting is used to account for business combination. The consideration transferred for acquisition of a subsidiary company is the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange, as well as any contingent consideration given. Acquisition related costs are expensed off in the profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition.

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Changes in the Company owners' ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(a) Basis of consolidation (Contd.)

(ii) Consolidation (Contd.)

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(iii) Goodwill on Consolidation

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired, in accordance with Note 6.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(iv) Non-controlling Interests

Non-controlling interest is the equity in a subsidiary company not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary company are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(b) Foreign currency translation

(i) Foreign Currency Transactions and Balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. 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.

(ii) Foreign Operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012, the date of transition to MFRS, which are treated as assets and liabilities of the Company. Income and expenses items are translated at the average rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rate at the dates of the transactions are used. Exchange differences arising on the translation are recognised in other comprehensive income.

On disposal of a foreign operation, the cumulative amount of exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in equity shall be reclassified to profit or loss when the gain or loss on disposal is recognised.

(c) Property, Plant and Equipment

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 Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Long term leasehold land and buildings are stated at valuation less accumulated amortisation or depreciation and impairment losses recognised after the date of the revaluation.

Land and buildings are revalued periodically, at least once in every 5 years or earlier if circumstances indicate that the carrying amount may differ significantly from the market value.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(c) Property, plant and equipment (Contd.)

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statements of other comprehensive income, in which case the increase is recognised in the statements of other comprehensive income. A revaluation deficit is recognised in the statements of other comprehensive income, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation of property, plant and equipment is calculated on the straight-line basis at the following annual rates based on their estimated useful lives:

Long term leasehold land	Amortised over the lease period
Long term leasehold buildings	2%
Motor vehicles	20%
Office equipment	20%-33%
Renovations	5%-20%
Furniture and fittings	20%
Equipment tools	20%
Plant and machinery	6%-25%
Gymnasium equipment	20%

The carrying values of property, plant and equipment, are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, 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.

(d) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(d) Leases (Contd.)

(i) Finance lease (Contd.)

Minimum lease payments made under finance leases are apportioned between 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 recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating Lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(e) Financial assets

Financial assets are recognised on 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 assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classifies its financial assets depend on the purpose for which it was acquired at initial recognition, into the loan and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Regular way purchase or sale of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. 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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(e) Financial assets (Contd.)

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

(f) Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument.

All financial liabilities are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. Changes in the carrying value of these liabilities are recognised in the profit or loss.

The Group and the Company classified its financial liabilities at initial recognition into other financial liabilities measured at amortised cost.

Other financial liabilities are non-derivatives financial liabilities. The Group's and the Company's other financial liabilities comprise trade and other payables, hire purchase payables and borrowings. Other financial liabilities are classified as current liabilities; except for maturities more than 12 months after the end of the reporting period, in which case they are classified as non-current liabilities.

Other liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Derecognition of financial liabilities

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting of financial instruments

A financial asset and financial liability are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(g) Inventories

Inventories of raw materials, work-in-progress, finished goods and trading goods are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the first in, first out method. The cost of raw materials comprises the original cost of purchase plus the cost of bringing the stocks to its present location and condition.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(g) Inventories

The cost of work-in-progress, finished goods and trading goods consist of raw materials, direct labour, other direct costs and appropriate proportion of production overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(h) Construction Contracts

Construction contracts are contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract 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 method is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable recoverable and contract costs are recognised as expenses in the period in which they are incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the reporting period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amounts due to contract customers.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets with indefinite useful lives, they are tested for impairment annually as at the end of each reporting period, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(j) Impairment of assets (Contd.)

(i) Non-financial assets (Contd.)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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.

Previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Impairment of goodwill

Goodwill is tested for impairment annually as at the end of each reporting period, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised in profit or loss. Impairment loss relating to goodwill is not reversed.

(ii) Financial assets

All financial assets, other than those at fair value through profit or loss, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade and other 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 defaults on receivables.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(j) Impairment of assets (Cont'd)

(ii) Financial assets (Contd.)

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss.

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.

(k) Share capital

(i) Ordinary shares

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

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statements of changes in equity.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applies in the reduction of the share premium account or distributable reserves, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(l) Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of 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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(l) Provisions (Contd.)

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statements of comprehensive income net of any reimbursement.

(m) Revenue recognition

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

(i) Construction contracts

Revenue from construction contracts is accounted in accordance to the accounting policies as described in Note 3(h) to the financial statements.

(ii) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(iii) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the period.

(iv) Rental income

Rental income is recognised on accrual basis.

(v) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(vi) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

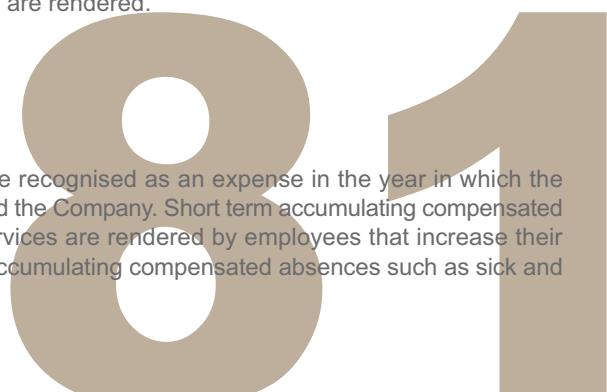
(vii) Management fee

Management fee is recognised on accrual basis when services are rendered.

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. 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 and medical leave are recognised when the absences occur.



NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(n) Employee benefits (Contd.)

(i) Short term employee benefits (Contd.)

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company has no further payment obligations.

(o) Borrowing costs

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

(p) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

NOTES TO THE FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

Group	Long term Leasehold Land		Motor vehicles		Office equipment		Renovations		Furniture and fittings		Equipment tools		Gymnasium equipment		Plant and Machinery		Total	
			RM		RM		RM		RM		RM		RM		RM		RM	
Cost / Valuation																		
At 1 July 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								
Additions	-	-	56,870	130,354	-	950	-	-	479,898	668,072								
Disposal	-	-	-	(9,258)	-	(62,184)	-	-	(109,060)	(180,502)								
Foreign currency translation differences	-	-	(43,523)	(6,470)	(18,664)	1,371	-	-	(413,795)	(481,081)								
At 30 June 2014	12,171,002	6,446,998	5,107,543	9,514,498	7,448,060	843,191	992,983	3,420	2,655,413	45,183,108								
Accumulated depreciation																		
At 1 July 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								
Charge for the financial year	149,493	128,940	209,995	712,323	332,850	35,574	1,327	-	225,377	1,795,879								
Disposal	-	-	-	(5,574)	-	(62,152)	-	-	(40,898)	(108,624)								
Foreign currency translation differences	-	-	(24,384)	(3,150)	5,897	1,522	-	-	(104,286)	(124,401)								
At 30 June 2014	366,907	333,095	4,789,554	8,785,034	3,584,410	830,751	990,713	3,419	676,422	20,360,305								
Carrying amount																		
At 30 June 2014	11,804,095	6,113,903	317,989	729,464	3,863,650	12,440	2,270	1	1,978,991	24,822,803								

NOTES TO THE FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Group	AT VALUATION		AT COST		Total									
	Long term Leasehold Land	Long term Leasehold Building	Motor vehicles	Office equipment	Renovations	Furniture and fittings	Equipment tools	Gymnasium equipment	Plant and Machinery	RM	RM	RM	RM	RM
2013														
Cost / Valuation														
At 1 July 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				
Disposal	-	-	(147,009)	(7,415)	-	-	-	-	(301,675)	(456,099)				
Foreign currency translation differences	-	-	3,059	717	1,816	127	-	-	22,016	27,735				
At 30 June 2013	<u>12,171,002</u>	<u>6,446,998</u>	<u>5,094,196</u>	<u>9,399,872</u>	<u>7,466,724</u>	<u>903,054</u>	<u>992,983</u>	<u>3,420</u>	<u>2,698,370</u>	<u>45,176,619</u>				
Accumulated depreciation														
At 1 July 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 financial year	137,315	128,940	579,040	803,676	390,019	59,429	1,582	-	229,322	2,329,323				
Disposal	-	-	(102,906)	(5,489)	-	-	-	-	(37,114)	(145,509)				
Foreign currency translation differences	(1)	-	1,423	461	354	105	-	-	4,031	6,373				
At 30 June 2013	<u>217,414</u>	<u>204,155</u>	<u>4,603,943</u>	<u>8,081,435</u>	<u>3,245,663</u>	<u>855,807</u>	<u>989,386</u>	<u>3,419</u>	<u>596,229</u>	<u>18,797,451</u>				
Carrying amount														
At 30 June 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				

NOTES TO THE FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

	Motor Vehicles RM	Renovations RM	Office Equipment RM	Gymnasium Equipment RM	Total RM
Company					
2014					
Cost					
At 1 July 2013	158,710	5,269,600	3,870,158	3,420	9,301,888
Additions	-	35,216	-	-	35,216
At 30 June 2014	158,710	5,304,816	3,870,158	3,420	9,337,104
Accumulated depreciation					
At 1 July 2013	158,709	1,246,982	2,834,273	3,419	4,243,383
Charge for the financial year	-	533,310	257,890	-	791,200
At 30 June 2014	158,709	1,780,292	3,092,163	3,419	5,034,583
Carrying amount					
At 30 June 2014	1	3,524,524	777,995	1	4,302,521
2013					
Cost					
At 1 July 2012	158,710	5,269,600	3,852,293	3,420	9,284,023
Additions	-	-	19,564	-	19,564
Disposal	-	-	(1,699)	-	(1,699)
At 30 June 2013	158,710	5,269,600	3,870,158	3,420	9,301,888
Accumulated depreciation					
At 1 July 2012	158,709	987,791	2,276,096	3,419	3,426,015
Charge for the financial year	-	259,191	559,542	-	818,733
Disposal	-	-	(1,365)	-	(1,365)
At 30 June 2013	158,709	1,246,982	2,834,273	3,419	4,243,383
Carrying amount					
At 30 June 2013	1	4,022,618	1,035,885	1	5,058,505

(a) Revaluation of land and building

Leasehold land and building of a subsidiary company was revalued on 12 September 2011 by an independent professional valuer. The valuation was determined by reference to recent market transaction on arm's length term.

Had the land and building been measured using the cost method, their carrying amount would have been as follows:

Long term leasehold land
Long term leasehold buildings

2014 RM	2013 RM
6,861,104	6,981,905
2,936,624	3,059,896
9,797,728	10,041,801



NOTES TO THE FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

- (b) Assets pledged as securities to licensed banks.

The carrying amount of property, plant and equipment of the Group pledged as securities for credit facilities granted to the Group are as disclosed in Note 21 as follows:

GROUP	
2014 RM	2013 RM
Long term leasehold land	5,830,511
Long term leasehold buildings	4,100,998
Plant and machinery	2,102,141
11,733,789	12,033,650

- (c) Assets held under hire purchase arrangements.

The carrying amount of the property, plant and equipment of the Group acquired under hire purchase and lease terms are as follows:

GROUP	
2014 RM	2013 RM
Motor Vehicles	431,411
Plant and machinery	-
316,433	431,411

- (d) Assets acquired by means of hire purchase financing.

The aggregate additional cost for property, plant and equipment of the Group during the financial year under cash payment and hire purchase financing are as follow:

GROUP	
2014 RM	2013 RM
Cost of property, plant and equipment purchased	975,163
Less : Hire purchase financing	-
668,072	611,874
(56,198)	975,163

5. INVESTMENTS IN SUBSIDIARY COMPANIES



COMPANY	
2014 RM	2013 RM
56,284,208	56,284,208
400,000	-
(28,676,053)	(28,676,053)
28,008,155	27,608,155

COMPANY	
2014 RM	2013 RM
28,676,053	28,676,053

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARY COMPANIES (Contd.)

Details of the subsidiary companies are as follows:

NAME OF COMPANY DIRECT HOLDINGS	COUNTRY OF INCORPORATION	EFFECTIVE INTEREST (%)		PRINCIPAL ACTIVITIES
		2014	2013	

Direct holding

Elitemac Resources Sdn. Bhd. #	Malaysia	100	100	Ceased operations.
Edaran IT Services Sdn. Bhd.	Malaysia	100	100	Provisioning, installation, commissioning, integration and maintenance of information technology products and related services.
SIDIC Technology Sdn. Bhd.	Malaysia	100	100	Smart technology provider.
MIDC Technology Sdn. Bhd.	Malaysia	100	100	Dormant.
Edaran Lifestyle Sdn. Bhd.	Malaysia	100	100	Event management and special interest project.
Edaran Lifestyle Trading Services Sdn. Bhd.	Malaysia	100	100	Provision of trading services and consultancy.
Edaran Lifestyle Maintenance Services Sdn. Bhd.	Malaysia	100	100	Dormant.

Indirect holding:

Held through Elitemac Resources Sdn Bhd

Edaran Communications Sdn Bhd	Malaysia	100	100	Ceased operations.
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Held through Edaran IT Services Sdn Bhd

Shinba-Edaran Sdn Bhd *	Brunei	75	75	Information technology provider.
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Held through Edaran Lifestyle Trading Services Sdn Bhd

PT Linewin	Indonesia	51	51	Manufacturing, processing and trading of timber wood including rubber wood and related product.
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On 2 September 2013, the Company subscribed for an additional 400,00 new ordinary shares of RM1.00 each at par for cash in Elitemac Resources Sdn. Bhd. for a total cash consideration of RM400,000. The share subscriptions did not result in any change in the effective equity interest of the Group and of the Company in the subsidiary.

* Subsidiary company not audited by UHY

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARY COMPANIES (Contd.)

Summarised financial information on subsidiaries with material non-controlling interests.

Set out below are the Group's subsidiaries that have material non-controlling interests:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2014 %	2013 %	2014 RM	2013 RM	2014 RM	2013 RM
Shinba-Edaran Sdn. Bhd.	25	25	(37,068)	(184,425)	(689,190)	(652,122)
PT Linewin	49	49	(444,069)	(221,035)	(2,401,417)	(1,957,348)
			<u>(481,137)</u>	<u>(405,460)</u>	<u>(3,090,607)</u>	<u>(2,609,470)</u>

Summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

	SHINBA-EDARAN SDN BHD		PT LINEWIN	
	2014 RM	2013 RM	2014 RM	2013 RM
Total assets	1,522,711	1,763,634	11,777,526	10,182,632
Total liabilities	(6,135,195)	(6,227,845)	(16,725,565)	(14,224,406)
Net assets	<u>(4,612,484)</u>	<u>(4,464,211)</u>	<u>(4,948,039)</u>	<u>(4,041,774)</u>
Equity attributable to owners of the Company	(3,923,294)	(3,812,089)	(2,546,622)	(2,084,426)
Non-controlling interest	(689,190)	(652,122)	(2,401,417)	(1,957,348)
Total equity	<u>(4,612,484)</u>	<u>(4,464,211)</u>	<u>(4,948,039)</u>	<u>(4,041,774)</u>
Revenue	210,846	1,050,780	9,252,782	5,052,310
(Loss)/Profit before taxation	(211,133)	(726,023)	475,394	(726,023)
Taxation	-	-	-	-
Net (loss)/profit for the financial year	(211,133)	(726,023)	475,394	(726,023)
Other comprehensive Income/(loss)	62,860	(11,677)	(1,381,659)	(243,403)
Total comprehensive loss	<u>(148,273)</u>	<u>(737,700)</u>	<u>(906,265)</u>	<u>(451,092)</u>

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NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARY COMPANIES (Contd.)

Summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations. (Cont'd)

	SHINBA-EDARAN SDN BHD		PT LINEWIN	
	2014 RM	2013 RM	2014 RM	2013 RM
Net cash generated from/(used in) operating activities	34,123	(701,916)	(178,548)	321,720
Net cash used in investing activities	-	(128)	(372,350)	(755,884)
Net cash (used in) / generated from financing activities	(97,876)	786,484	816,204	179,208
Net (decrease)/increase in cash and cash equivalents	(63,753)	84,440	265,306	(254,956)

NOTES TO THE FINANCIAL STATEMENTS

6. INTANGIBLE ASSET

	GROUP	
	2014 RM	2013 RM
Goodwill		
Cost:		
At 1 July / 30 June	2,072,488	2,072,488
Accumulated impairment losses:		
At 1 July / 30 June	2,072,488	2,072,488
Net carrying amount		
At 1 July / 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 CGU:

	GROUP	
	2014 RM	2013 RM
Manufacturing Division	2,072,488	2,072,488

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

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

7. OTHER INVESTMENT

	GROUP	
	2014 RM	2013 RM
Available-for-sale financial assets		
Equity instruments		
Unquoted shares in Malaysia*	1	2,200
Less : Loss on change in fair value	-	(2,199)
Carrying amount	1	1

*The investee company was delisted in last financial year and a nominal carrying amount is disclosed accordingly.

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NOTES TO THE FINANCIAL STATEMENTS

8. INVENTORIES

	GROUP	
	2014 RM	2013 RM
At Cost		
Raw material	626,868	1,552,639
Work-in progress	6,882,700	5,128,300
Consumables & spare parts	244,605	215,805
	7,754,173	6,896,744

9. AMOUNT DUE FROM / (TO) CONTRACT CUSTOMERS

	GROUP	
	2014 RM	2013 RM
Contract costs incurred to date	78,017,598	106,007,502
Attributable profits	24,112,398	29,590,720
	102,129,996	135,598,222
Less: Progress billings	(99,162,402)	(132,240,971)
	2,967,594	3,357,251
 Presented as:		
Amount due from contract customers	3,590,069	4,163,812
Amount due to contract customers	(622,475)	(806,561)
	2,967,594	3,357,251

Included in contract cost is operating lease payment amounting to RM6,573,438 (2013: RM6,577,583) incurred during the financial year.

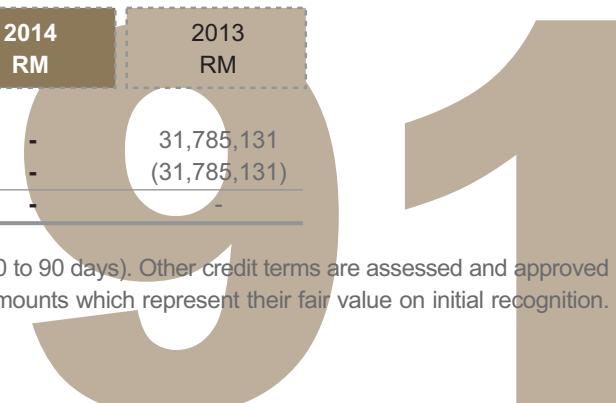
10. TRADE RECEIVABLES

	GROUP	
	2014 RM	2013 RM
Trade receivables	5,993,834	35,349,316

Movements in impairment on trade receivables are as follows:

	GROUP	
	2014 RM	2013 RM
At 1 July		
Amount written off		
At 30 June		
		31,785,131
		(31,785,131)

The Group's normal trade credit terms range from 30 to 90 days (2013: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts which represent their fair value on initial recognition.



NOTES TO THE FINANCIAL STATEMENTS

10. TRADE RECEIVABLES (Contd.)

Analysis of the trade receivables ageing as at the end of the financial year are as follows:

	GROUP	
	2014 RM	2013 RM
Neither past due nor impaired	2,433,592	2,249,841
Past due not impaired:		
Less than 30 days	2,992,606	1,002,407
31 to 60 days	43,416	60,816
61 to 90 days	40,196	32,665
More than 90 days	484,024	218,456
	3,560,242	1,314,344
	5,993,834	3,564,185

As at 30 June 2014, trade receivables of RM3,560,242 (2013: RM1,314,344) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

11. OTHER RECEIVABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	676,904	1,053,171	203,277	153,287
Deposits	1,236,293	810,999	101,304	100,116
Prepayments	426,031	598,102	12,400	10,443
	2,339,228	2,462,272	316,981	263,846

Movements in impairment on other receivables are as follows:

	GROUP	
	2014 RM	2013 RM
At 1 July	-	3,596,847
Amount written off	-	(3,596,847)
At 30 June	-	-

12. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

Amounts due from/(to) subsidiary companies are non-trade in nature, unsecured and are repayable on demand.

At 1 July
Amount written off
At 30 June

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NOTES TO THE FINANCIAL STATEMENTS

13. FIXED DEPOSITS WITH LICENSED BANKS, BANK AND CASH BALANCES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash and Bank balances	419,618	517,010	81,514	5,340
Fixed deposits with licensed banks	3,261,254	10,507,053	-	-
	3,680,872	11,024,063	81,514	5,340

Fixed deposits with licensed banks of the Group amounting to RM2,637,930 (2013: RM2,194,417) are pledged as securities for banking facilities as mentioned in Note 21.

The effective interest rates and maturities of fixed deposits of the Group as at the end of the reporting period range from 2.85% to 5.00% (2013: 2.60% to 5.00%) per annum and 1 to 12 months (2013: 1 to 12 months) respectively.

14. SHARE CAPITAL

	GROUP/COMPANY	
	2014 RM	2013 RM
Authorised 100,000,000 ordinary shares of RM1.00 each	100,000,000	100,000,000
Issued and fully paid shares 60,000,000 ordinary shares of RM1.00 each	60,000,000	60,000,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

15. SHARE PREMIUM

	GROUP/COMPANY	
	2014 RM	2013 RM
As at 1 July/ 30 June	8,022,580	8,022,580

Share premium arose from the issuance of shares by way of private placement and public offer net of share issue expenses. The share premium reserve is not distributable by way of dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act, 1965, in Malaysia.

16. TREASURY SHARES

	GROUP/COMPANY	
	2014 RM	2013 RM
As at 1 July/ 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.

NOTES TO THE FINANCIAL STATEMENTS

16. TREASURY SHARES (Contd.)

Of the total 60,000,000 (2013: 60,000,000) issued and fully paid ordinary shares of RM1.00 each as at 30 June 2014, the Company held 2,094,800 (2013: 2,094,800) ordinary shares as treasury shares.

The shareholders of the Company, by ordinary resolution passed in an extraordinary general meeting held on 28 November 2013, 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	
	2014 RM	2013 RM
Property, Plant and Equipment		
At 1 July	5,900,533	5,955,034
Crystallisation of deferred tax liability on revaluation reserve	27,249	27,251
Realisation of revaluation reserve	(81,753)	(81,752)
At 30 June	5,846,029	5,900,533

The revaluation reserve represents increases in the fair value of the leasehold land and buildings, and the decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

18. FOREIGN CURRENCY TRANSLATION RESERVE

The exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

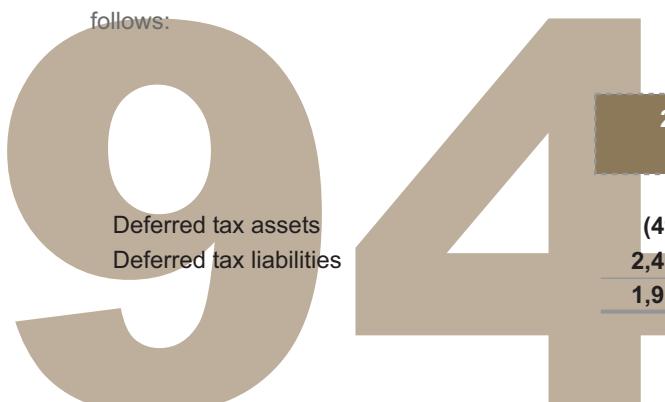
19. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 July	1,962,047	1,989,298	-	-
Recognised in other comprehensive income	(27,249)	(27,251)	-	-
At 30 June	1,934,798	1,962,047	-	-

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

Deferred tax assets
Deferred tax liabilities

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Deferred tax assets	(499,956)	(549,521)	-	(31,212)
Deferred tax liabilities	2,434,754	2,511,568	-	31,212
	1,934,798	1,962,047	-	-



NOTES TO THE FINANCIAL STATEMENTS

19. DEFERRED TAX LIABILITIES (Contd.)

The components and movements of deferred tax assets and liabilities are as follows:

Group Deferred Tax Assets

	Unused Tax Losses RM	Unused Capital Allowances RM	Total RM
At 1 July 2012	(422,447)	(324,329)	(746,776)
Recognised in profit or loss	181,614	15,641	197,255
At 30 June 2013	(240,833)	(308,688)	(549,521)
Recognised in profit or loss	-	49,565	49,565
At 30 June 2014	(240,833)	(259,123)	(499,956)

Deferred Tax Liabilities

	Accelerated Capital Allowance RM	Revaluation Surplus RM	Total RM
At 1 July 2012	247,481	2,488,593	2,736,074
Recognised in profit or loss	(197,255)	-	(197,255)
Recognised in other comprehensive income	-	(27,251)	(27,251)
At 30 June 2013	50,226	2,461,342	2,511,568
Recognised in profit or loss	(49,565)	-	(49,565)
Recognised in other comprehensive income	-	(27,249)	(27,249)
At 30 June 2014	661	2,434,093	2,434,754

The components and movements of deferred tax assets and liabilities are as follows:

Company Deferred Tax Assets

	Unused Tax Losses RM	Unused Capital Allowances RM	Total RM
At 1 July 2012	(3,128)	(87,501)	(90,629)
Recognised in profit or loss	3,128	56,289	59,417
At 30 June 2013	-	(31,212)	(31,212)
Recognised in profit or loss	-	31,212	31,212
At 30 June 2014	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

19. DEFERRED TAX LIABILITIES (Contd.)

Deferred Tax Liabilities

	Accelerated Capital Allowance
	RM
At 1 July 2012	90,629
Recognised in profit or loss	<u>(59,417)</u>
At 30 June 2013	31,212
Recognised in profit or loss	<u>(31,212)</u>
At 30 June 2014	-

Deferred tax assets have not been recognised in respect of the following temporary difference due to uncertainty of its recoverability:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Accelerated capital allowance	53,928	9,420	38,584	-
Unused capital allowances	1,537,428	991,532	1,412,488	957,804
Unused tax losses	<u>46,061,824</u>	<u>43,484,644</u>	<u>23,017,844</u>	21,267,016
	47,653,180	44,485,596	24,468,916	22,224,820

Deferred tax assets have not been recognised as it is not probable that future taxable profits will be available against which the unused tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

20. HIRE PURCHASE PAYABLES

Minimum hire purchase payments:

Within one year	122,027	190,730
Later than one year and not later than two years	99,967	102,231
Later than two year and not later than five years	51,953	114,251
	<hr/>	<hr/>
Less: Future finance charges	273,947	407,212
Present value of hire purchase liabilities	(23,500)	(28,652)
	<hr/>	<hr/>
	250,447	378,560

Present value of hire purchase liabilities

Repayable within one year	106,769	174,558
Repayable within one to two years	92,845	93,663
Repayable within two to five years	50,833	110,339
	<hr/>	<hr/>
	250,447	378,560

Representing hire purchase liabilities

Current portion	106,769	174,558
Non-current portion	143,678	204,002
	<hr/>	<hr/>
	250,447	378,560

The hire purchase liabilities bear interest at the rate of 4.68% to 9.08% (2013: 4.68% to 9.00%) per annum.

21. BANK BORROWINGS

Secured

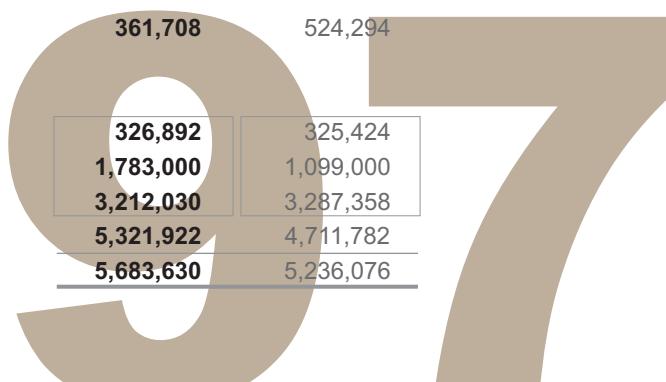
Term loans	688,600	849,718
Bankers acceptance	1,783,000	1,099,000
Bank overdrafts	3,212,030	3,287,358
	<hr/>	<hr/>
	5,683,630	5,236,076

Non-current

Term loans	361,708	524,294
	<hr/>	<hr/>

Current

Term loans	326,892	325,424
Bankers acceptance	1,783,000	1,099,000
Bank overdrafts	3,212,030	3,287,358
	<hr/>	<hr/>
	5,321,922	4,711,782
	<hr/>	<hr/>
	5,683,630	5,236,076



NOTES TO THE FINANCIAL STATEMENTS

21. BANK BORROWINGS (Contd.)

The term loans, bankers acceptance and bank overdrafts are secured by the following:

- (i) legal charge over the property, plant and equipments of certain subsidiary companies as disclosed in Note 4;
- (ii) pledged of fixed deposits of certain subsidiary companies as disclosed in Note 13;
- (iii) assignment of contract proceeds of one of the subsidiary company; and
- (iv) corporate guarantee of the Company.

A summary of the average effective interest rates and the maturities of the borrowings are as follows:

Average Effective Interest Rates Per Annum %	Within 1 Year RM	1-2 Years RM	2-5 Years RM	More Than 5 Years RM	Total RM
Group					
2014					
Term loans	7.92 to 9.19	326,892	164,260	197,448	- 688,600
Bankers acceptance	4.50 to 4.70	1,783,000	-	-	1,783,000
Bank overdrafts	4.00 to 8.50	3,212,030	-	-	3,212,030
		5,321,922	164,260	197,448	- 5,683,630
2013					
Term loans	7.92 to 9.19	325,424	287,006	237,288	- 849,718
Bankers acceptance	3.99 to 4.45	1,099,000	-	-	1,099,000
Bank overdrafts	6.70 to 8.42	3,287,358	-	-	3,287,358
		4,711,782	287,006	237,288	- 5,236,076

22. TRADE PAYABLES

The normal trade credit terms granted by suppliers to the Group range from 30 to 90 days (2013: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

23. OTHER PAYABLES

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Other payables
Deposits
Accruals

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GROUP		COMPANY	
2014 RM	2013 RM	2014 RM	2013 RM
1,996,130	2,183,539	1,777,449	1,927,450
62,531	94,480	-	-
1,363,545	1,207,876	535,937	376,913
3,422,206	3,485,895	2,313,386	2,304,363

NOTES TO THE FINANCIAL STATEMENTS

24. REVENUE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Contract revenue	27,283,575	37,936,775	-	-
Trading revenue	9,483,143	5,518,109	-	-
Services rendered	840,273	264,455	-	-
Management fee	-	-	648,000	648,000
Dividend income	-	-	800,000	1,600,000
	37,606,991	43,719,339	1,448,000	2,248,000

25. COST OF SALES

	GROUP	
	2014 RM	2013 RM
Contract costs	19,634,219	27,261,054
Trading costs	7,531,460	4,466,779
Services costs	530,998	517,552
	27,696,677	32,245,385

26. FINANCE COST

	GROUP	
	2014 RM	2013 RM
Interest expenses on:		
Bank overdrafts	199,837	185,097
Bankers' acceptance	62,955	20,178
Hire purchases	19,600	37,731
Term loans	128,611	124,696
	411,003	367,702

27. LOSS BEFORE TAXATION

Loss before taxation is determined after charging / (crediting) amongst other the following items:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration				
- statutory audit				
- current year	49,811	49,336	13,000	12,000
- overprovision in prior year	(1,000)	(600)	-	-
- non-audit services	3,000	-	3,000	-

NOTES TO THE FINANCIAL STATEMENTS

27. LOSS BEFORE TAXATION (Contd.)

Loss before taxation is determined after charging / (crediting) amongst other, the following items: (Contd.)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Depreciation of property, plant and equipment	1,795,879	2,329,323	791,200	818,733
Employee benefits expenses (Note 28)	7,371,624	9,561,179	1,736,566	1,949,180
Impairment losses on investments in subsidiary companies	-	-	-	2,214,078
Rental of equipment	37,716	36,516	21,729	30,550
Rental of motor vehicles	6,430	1,270	-	-
Rental of premises	338,819	336,692	-	-
Gain on disposal of asset held for sale	-	(4,440,461)	-	-
Gain on disposal of other investment	-	(49,999)	-	-
Interest income from:				
- Deposits with licensed bank	(141,377)	(245,248)	(1,188)	(1,154)
- Subsidiaries	-	-	(585,516)	(536,640)
Loss/(Gain) on disposal of property, plant and equipment	6,816	208,895	-	(17)
Foreign exchange gain				
- Realised	(224,587)	(26,157)	-	-
- Unrealised	(36,407)	-	-	-
Rental income	(28,800)	(130,800)	-	-
Reversal of impairment loss on receivables	-	35,381,978	-	-

28. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
(a) Employee benefits expenses				
Salaries, wages, bonus, allowances and overtime	4,738,411	6,589,388	919,070	1,145,831
Contributions to defined contribution plan	647,740	743,423	120,735	120,391
Other costs	697,033	879,203	188,711	174,908
	6,083,184	8,212,014	1,228,516	1,441,130

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NOTES TO THE FINANCIAL STATEMENTS

28. EMPLOYEE BENEFITS EXPENSES (Contd.)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
(b) Directors' remuneration				
Executive directors				
Salaries and other emoluments	918,545	958,545	240,000	240,000
Contributions to defined contribution plan	100,320	105,120	28,800	28,800
Benefits-in-kind	51,575	67,500	21,250	21,250
	1,070,440	1,131,165	290,050	290,050
Non-Executive directors				
Fees	218,000	218,000	218,000	218,000
	1,288,440	1,349,165	508,050	508,050
Total employee benefits expenses	7,371,624	9,561,179	1,736,566	1,949,180

29. TAXATION

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Tax expenses recognised in profit or loss				
Current tax	4,657	-	-	-
Tax expense recognised in other comprehensive income				
Deferred tax related to crystallisation on revaluation of land and buildings (Note 19)	(27,249)	(27,251)	-	-
	(22,592)	(27,251)	-	-

Malaysian income tax is calculated at the statutory tax rate of 25% ((2013 : 25%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

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NOTES TO THE FINANCIAL STATEMENTS

29. TAXATION (Contd.)

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company are as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Loss before taxation	(4,087,717)	(1,140,813)	(1,973,567)	(3,665,784)
At Malaysian statutory tax rate of 25%	(1,021,929)	(285,204)	(493,392)	(916,446)
Different tax rates in the foreign subsidiary company	10,557	36,301	-	-
Expenses not deductible for tax purposes	224,133	1,466,083	132,368	1,152,356
Tax exempt income	-	(400,000)	(200,000)	(400,000)
Income not subject to tax	-	(1,193,661)	-	(4)
Tax incentives *	-	(495,955)	-	-
Crystallisation of deferred tax liability on revaluation reserve	(27,249)	(27,251)	-	-
Movement on deferred tax assets not recognised	791,896	872,436	561,024	164,094
	(22,592)	(27,251)	-	-

* 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.

The amount and future availability of unutilised tax losses and capital allowances are as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unabsorbed tax losses	47,025,156	44,447,975	23,017,845	21,267,017
Unutilised capital allowances	2,573,921	2,226,285	1,412,489	1,082,654
	49,599,077	46,674,260	24,430,334	22,349,671

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NOTES TO THE FINANCIAL STATEMENTS

30. LOSS PER SHARE

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2014	2013
Loss attributable to ordinary shareholders (RM)	4,272,532	619,005
Weighted average number of ordinary shares in issue	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 shares (in sen)	7.38	1.07

There are no diluted earnings per share as the Company does not have any equity convertible financial instruments as at the end of the reporting period.

31. OPERATING LEASES

The future minimum lease payments payable under non-cancellable operating leases are:

	GROUP	
	2014 RM	2013 RM
Within one year	3,584,469	1,415,964
Later than one year but not later than two years	1,430,042	1,415,964
Later than two years but not later than five years	5,538	1,238,101
	5,020,049	4,070,029

The Group leases a number of computer network equipment under operating leases. The leases typically run for a period of 3 to 4 years (2013: 4 years), with an option to renew the lease after that date. Operating lease payments are charged out to contract cost.

32. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all Directors of the Group and certain members of senior management and chief executive officers of major subsidiary companies of the Group.

The Group has related party relationships with its subsidiary companies, and companies where certain directors of the Company have significant and controlling financial interest as well as key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

32. RELATED PARTY DISCLOSURES (Contd.)

(b) Significant Related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. In addition to the related party information disclosed in Note 12 to the financial statements, the significant related party transactions of the Group and the Company are as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
With subsidiary companies				
Dividend income	-	-	800,000	1,600,000
Interest income	-	-	585,516	536,640
Management fee	-	-	648,000	648,000

- (c) The remuneration of key management personnel is the same with the Directors' remuneration as disclosed in Note 28. The Group and the Company have no other members of key management personnel apart from the Board of Directors.

33. SEGMENT INFORMATION

(a) Business segment

For management purposes, the Group is organised into business units based on their products and services, and 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
Involve in the woods trading and manufacturing services.

NOTES TO THE FINANCIAL STATEMENTS

33. SEGMENT INFORMATION (Contd.)

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

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33. SEGMENT INFORMATION (Contd.)

	Note	Investment Holding RM	Information Technology and Services RM	Telecommunications RM	Lifestyle RM	Manufacturing RM	Elimination RM	Consolidated RM
2014								
Revenue								
External sales		-	28,123,848	-	-	230,361	9,252,782	-
Inter-segment sales	(i)	1,448,000	-	-	-	-	(1,448,000)	-
Total revenue		1,448,000	28,123,848	-	230,361	9,252,782	(1,448,000)	37,606,991
Results								
Segment result		(1,974,755)	(41,821)	(1,117,208)	(511,568)	627,261	(800,000)	(3,818,091)
Interest income								141,377
Interest expenses								(411,003)
Loss before taxation								(4,087,717)
Taxation								(4,657)
Loss for the financial year								(4,092,374)
Assets and liabilities								
Segment assets		46,380,392	50,748,004	26,339,075	16,128,320	11,777,526	(103,192,337)	48,180,980
Segment liabilities		34,316,848	36,040,146	1,644,651	19,947,630	16,725,565	(90,027,709)	18,647,131
Other information								
Depreciation of property, plant and equipment		791,200	447,694	236,230	10,421	310,334	-	1,795,879
Other material non-cash expenses	(ii)	-	(5,010)	-	-	(24,581)	-	(29,591)

NOTES TO THE FINANCIAL STATEMENTS

33. SEGMENT INFORMATION (Contd.)

	Note	Investment Holding RM	Information Technology and Services RM	Telecommunications RM	Lifestyle RM	Manufacturing RM	Elimination RM	Consolidated RM
2013								
Revenue								
External sales		–	38,201,230	–	–	465,799	5,052,310	43,719,339
Inter-segment sales	(i)	2,248,000	–	–	–	–	–	–
Total revenue		2,248,000	38,201,230	–	465,799	5,052,310	(2,248,000)	43,719,339
Results								
Segment result		(3,664,408)	4,896,446	(1,047,780)	(641,462)	(561,155)		(1,018,359)
Interest income								245,248
Interest expenses								(367,702)
Loss before taxation								(1,140,813)
Taxation							–	–
Loss for the financial year								(1,140,813)
Assets and liabilities								
Segment assets		43,499,655	27,149,982	16,934,752	14,836,296	10,182,632	(58,113,072)	54,490,245
Segment liabilities		29,462,543	21,197,608	1,699,555	51,045	14,224,406	(47,104,215)	19,530,942
Other information								
Depreciation of property, plant and equipment		818,733	715,972	464,339	13,318	316,961	–	2,329,323
Other material non-cash expenses	(ii)	2,214,095	4,384,474	–	–	274,897	(2,386,083)	(4,281,565)

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NOTES TO THE FINANCIAL STATEMENTS

33. SEGMENT INFORMATION

(a) Business segment (Contd.)

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	GROUP	
	2014 RM	2013 RM
Gain on disposal of asset held for sale	-	(4,440,461)
Gain on disposal of other investment	-	(49,999)
Impairment losses on investments in subsidiary companies	-	2,386,083
Loss on disposal of property, plant and equipment	6,816	208,895
Unrealised gain on foreign exchange	(36,407)	-
Elimination on consolidation	-	(2,386,083)
	29,591	(4,281,565)

(b) Geographical segment

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

Group	REVENUE		NON-CURRENT ASSETS	
	2014 RM	2013 RM	2014 RM	2013 RM
Malaysia	28,143,363	37,616,249	22,655,540	23,943,337
Brunei	210,846	1,050,780	2,958	20,931
Indonesia	9,252,782	5,052,310	2,164,306	2,414,901
	37,606,991	43,719,339	24,822,804	26,379,169

(c) 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 amounting to RM27,913,002 (2003: RM 37,150,450)

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NOTES TO THE FINANCIAL STATEMENTS

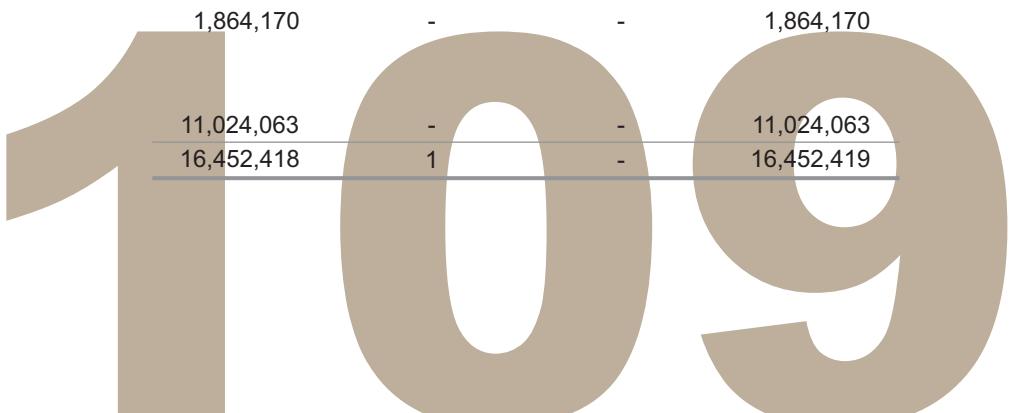
34. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured and how income and expenses including fair values gain or loss are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	Loans and receivables RM	Available-for-sale RM	Other Financial Liabilities at Amortised RM	Total RM
Group				
2014				
Financial Assets				
Other investment	-	1	-	1
Trade receivables	5,993,834	-	-	5,993,834
Other receivables	1,913,197	-	-	1,913,197
Fixed deposits with licensed banks, bank and cash balances	3,680,872	-	-	3,680,872
	11,587,903	1	-	11,587,904
Financial Liabilities				
Trade payables	-	-	6,733,575	6,733,575
Other payables	-	-	3,359,675	3,359,675
Hire purchases payables	-	-	250,447	250,447
Borrowings	-	-	5,683,630	5,683,630
	-	-	16,027,327	16,027,327
2013				
Financial Assets				
Other investment	-	1	-	1
Trade receivables	3,564,185	-	-	3,564,185
Other receivables	1,864,170	-	-	1,864,170
Fixed deposits with licensed banks, bank and cash balances	11,024,063	-	-	11,024,063
	16,452,418	1	-	16,452,419



NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (Contd.)

(a) Classification of financial instruments (Contd.)

	Loans and receivables RM	Available-for-sale RM	Other Financial Liabilities at Amortised RM	Total RM
Financial Liabilities				
Trade payables	-	-	7,661,803	7,661,803
Other payables	-	-	3,391,415	3,391,415
Hire purchases payables	-	-	378,560	378,560
Borrowings	-	-	5,236,076	5,236,076
	<hr/>	<hr/>	16,667,854	16,667,854
Company 2014				
Financial Assets				
Other receivables	304,581	-	-	304,581
Amount due from subsidiary companies	11,271,221	-	-	11,271,221
Fixed deposits with licensed banks, bank and cash balances	81,514	-	-	81,514
	<hr/>	<hr/>	<hr/>	11,657,316
Financial Liabilities				
Other payables	-	-	2,313,386	2,313,386
Amount due to subsidiary companies	-	-	32,003,461	32,003,461
	<hr/>	<hr/>	<hr/>	34,316,847
2013				
Financial Assets				
Other receivables	253,403	-	-	253,403
Amount due from subsidiary companies	8,963,809	-	-	8,963,809
Fixed deposits with licensed banks, bank and cash balances	5,340	-	-	5,340
	<hr/>	<hr/>	<hr/>	9,222,552
Financial Liabilities				
Other payables	-	-	2,304,363	2,304,363
Amount due to subsidiary companies	-	-	27,158,180	27,158,180
	<hr/>	<hr/>	<hr/>	29,462,543

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (Contd.)

(b) Financial risk management objectives and policies (Contd.)

(i) Credit risk

Financial assets that are primarily exposed to credit risks are receivables, inter-company balances and fixed deposits with licensed banks, cash and bank balances.

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the inability of its customers to make payments when due. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

The Group have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts. The Company only provided loans and advances to wholly-owned subsidiary companies and the results of the subsidiary companies are monitored regularly.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 2 customers (2013: 6 customers) which constituted approximately 65% (2013: 89%) of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Corporate guarantee

	COMPANY	
	2014 RM	2013 RM
Corporate guarantee given to the license bank for credit facility granted to subsidiary company	3,616,114	3,626,479

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (Contd.)

(b) Financial risk management objectives and policies (Contd.)

(ii) Liquidity risk (Contd.)

Group	2014	On demand or within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	After 5 years RM	Total contractual cash flows	Total carrying amount RM
2013									
Trade payables	7,661,803	-	-	-	-	-	-	7,661,803	7,661,803
Other payables	3,391,415	-	-	-	-	-	-	3,391,415	3,391,415
Hire purchase payables	190,730	102,231	76,176	38,075	-	-	-	407,212	378,560
Bank borrowings	4,855,275	412,850	132,511	132,511	66,255	-	-	5,599,402	5,236,076
	16,099,223	515,081	208,687	170,586	66,255	-	-	17,059,832	16,667,854

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (Contd.)

(b) Financial risk management objectives and policies (Contd.)

(ii) Liquidity risk (Contd.)

On demand
or within
1 year
RM

Company	
2014	
Financial liability	
Other payables	2,313,386
Amount due to subsidiary companies	32,003,461
	<u>34,316,847</u>
2013	
Financial liability	
Other payables	2,304,363
Amount due to subsidiary companies	27,158,180
	<u>29,462,543</u>

(iii) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in foreign currencies, primarily United States Dollar (USD).

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	GROUP	
	2014 USD RM	2013 USD RM
Financial assets		
Trade receivables	1,054,458	327,784
Fixed deposits with licensed banks, bank and cash balances	6,875	82,272
	<u>1,061,333</u>	<u>410,056</u>

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (Contd.)

(b) Financial risk management objectives and policies (Contd.)

(iii) Market risk (Contd.)

(i) Foreign currency risk (Contd.)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	GROUP	
	2014 RM	2013 RM
USD/RM - strengthened 5% (2013 : 5%)	53,067	20,503
USD/RM - weakened 5% (2013 : 5%)	(53,067)	(20,503)

(ii) Interest rate risk

The Group exposed to interest rate risk arises primarily from financing through interest bearing financial assets and financial liabilities. The Group's policy is to obtain the financing with the most favourable interest rates in the market.

The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The Group is exposed to interest rate risk arising from its short and long term debts obligations, and its fixed deposits. Fixed deposits interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Group.

The carrying amounts of the Group's financial instruments that are exposed to interest rate risk are as follows:

1
Fixed rate instruments
Financial liability
Hire purchase payables
Bank borrowings

Floating rate instruments
Financial liability
Bank borrowings

	GROUP	
	2014 RM	2013 RM
250,447	378,560	
3,850,516	2,708,596	
4,100,963	3,087,156	
1,833,114	2,527,480	

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (Contd.)

(b) Financial risk management objectives and policies (Contd.)

(iii) Market risk (Contd.)

(ii) Interest rate risk (Contd.)

Sensitivity analysis for interest rate risk

A change in 1% interest rate on financial liabilities of the Group which have variable interest rate at the end of the financial year would have increased/(decreased) loss before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2014		2013	
	Effect to profit or loss RM	Effect to equity RM	Effect to profit or loss RM	Effect to equity RM
Group				
Interest rate increased by 1%	(18,331)	(13,748)	(25,275)	(32,898)
Interest rate decreased by 1%	18,331	13,748	25,275	32,898

(c) Fair values of financial instruments

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable market prices and inability to estimate fair value without incurring excessive costs.

Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

The fair value of financial liabilities together with the carrying amounts shown in the statement of financial position, are as follows:

	2014		2013	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liability				
Hire purchase payables (non current)	143,678	139,497	204,002	194,369
Hire Purchase Payables				
The fair value, which is determined for disclosure purpose, is calculated based on the present value of cash flows on principal and interest discounted at the market rate of interest at the end of the reporting period.				

NOTES TO THE FINANCIAL STATEMENTS

35. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The management reviews the capital structure by considering the cost of capital and the risk associated with the capital.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions to ensure that the Group and the Company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value. No changes were made in the objectives, policies or processes during the years ended 30 June 2014 and 30 June 2013.

The Group and the Company monitors capital using a gearing ratio, which is net debts divided by total equity plus net debts. Net debts comprise trade, other payables and accruals, amounts due to subsidiary companies, hire purchase payables and bank borrowing less cash and cash equivalents. Total equity includes equity attributable to the owners of the Group and the Company.

The gearing ratios are as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade payables	6,733,575	7,661,803	-	-
Other payables	3,422,206	3,485,895	2,313,386	2,304,363
Amount due to subsidiary companies	-	-	32,003,461	27,158,180
Hire purchase payables	250,447	378,560	-	-
Bank borrowings	5,683,630	5,236,076	-	-
	16,089,858	16,762,334	34,316,847	29,462,543
Less: Fixed deposits with licensed banks				
bank and cash balances	(1,042,942)	(8,829,646)	(81,514)	(5,340)
Net debts	15,046,916	7,932,688	34,235,333	29,457,203
Total equity	29,533,849	34,959,303	12,063,545	14,037,112
Net debts and equity	44,580,765	42,891,991	46,298,878	43,494,315
Gearing ratio (times)	0.34	0.18	0.74	0.68

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

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

36. COMPARATIVE FIGURES

The financial statements of the Group and of the Company for the financial year ended 30 June 2013 were audited by another auditor who expressed an unqualified opinion on those statements on 29 October 2013.

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NOTES TO THE FINANCIAL STATEMENTS

37. RESTATEMENT OF COMPARATIVES

The presentation and classification of items in the current year's financial statements are consistent with the previous financial year except for the following comparative figures which have been restated to reflect appropriately the nature of the transactions and to conform with current year's presentation:

	As previously stated RM	Reclassification RM	As restated RM
Company			
Statement of financial position			
Investments in subsidiary companies			
Amount due from holding company	36,571,964	(8,963,809)	27,608,155
	-	8,963,809	8,963,809

38. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 June 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 21 October 2014.

NOTES TO THE FINANCIAL STATEMENTS

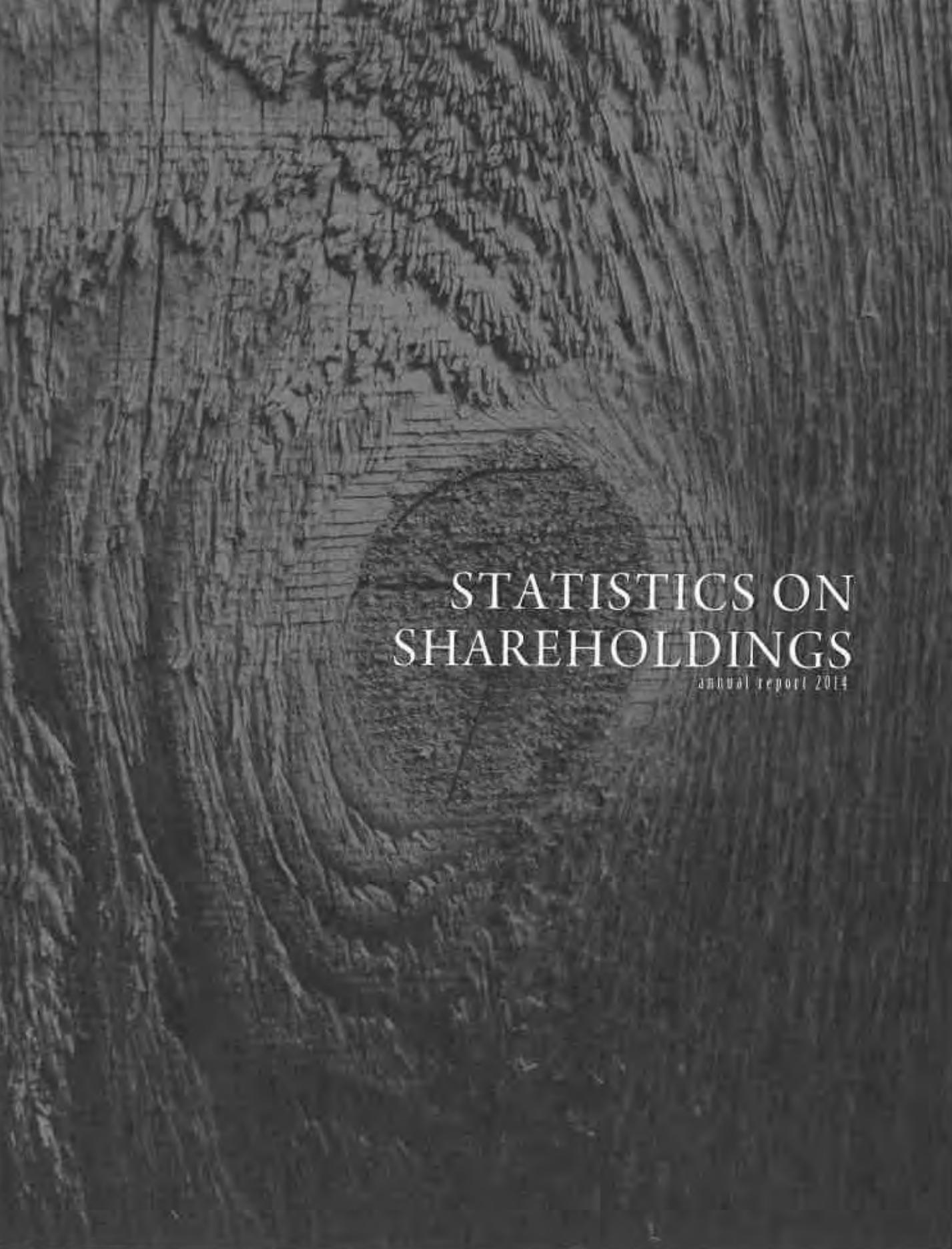
SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised accumulated losses of the Group and of the Company at 30 June 2014 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The accumulated losses of the Group and of the Company as at 30 June 2014 is analysed as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Total accumulated losses of the Company and its subsidiaries				
- realised	(59,421,521)	(55,410,903)	(54,909,499)	(52,935,932)
- unrealised	-	-	-	-
	<u>(59,421,521)</u>	<u>(55,410,903)</u>	<u>(54,909,499)</u>	<u>(52,935,932)</u>
Less: Consolidation adjustments	<u>20,124,674</u>	<u>20,304,835</u>	-	-
	<u><u>(39,296,847)</u></u>	<u><u>(35,106,068)</u></u>	<u><u>(54,909,499)</u></u>	<u><u>(52,935,932)</u></u>

The disclosure of realised and unrealised profit or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.



STATISTICS ON SHAREHOLDINGS

annual report 2014

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	: 1,660

ANALYSIS OF SHAREHOLDINGS

A. Distribution of Shareholdings (as at 30 September 2014)

Size of Shareholdings	Shareholders	Shareholding	%
Less than 100	22	756	0.00
100 - 1,000	1,114	1,089,640	1.82
1,001 - 10,000	376	1,629,400	2.72
10,001 - 100,000	123	4,025,332	6.71
100,001 to less than 5% of issued shares	20	15,650,869	26.08
5% and above of issued shares	5	37,604,003	62.67
Total	1,660	60,000,000	100.00

B. List of Thirty (30) Largest Shareholders (as at 30 September 2014)

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 Rizwan 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 TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Yee Foong	334,200	0.56
14 Mohd Salleh Bin Lamsah	300,028	0.50
15 Fazlan & Amal Sdn Bhd	289,600	0.48
16 Ahmad Yasri Bin Mohd Hashim @ Mohd Hassan	242,385	0.40
17 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 2014) (Continued)

Names	No. of Shares	%
18 Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Shiraz Bin Shahidan (SHI0075C)	186,000	0.31
19 Power Protection (M) Sdn Bhd	170,000	0.28
20 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Idris Bin Abdullah @ Das Murthy	149,400	0.25
21 Lim Poh Fong	137,800	0.23
22 Chiam Yoke Kee	130,000	0.22
23 Ahmad Bin Bachok	100,000	0.17
24 Renfield Investment Limited	100,000	0.17
25 Rohana Binti Laksamana	100,000	0.17
26 Saujana Paradigma Sdn Bhd	100,000	0.17
27 Yong Yoke Eng	100,000	0.17
28 Normah Binti Ali Affandi	92,932	0.15
29 RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Gaik Suan	81,200	0.14
30 HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chin Peng Jin	81,000	0.14

C. Substantial Shareholders (as at 30 September 2014)

(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) (Indirect)	2 4,730,832	0.00 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 2014)

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

E. Directors' Shareholding in Subsidiaries and Associate Companies (as at 30 September 2014)

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	-	-	-



GROUP PROPERTIES

as at 30 June 2014

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	20	1,002.00 / 334.18	3,408
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	20	852.02 / 284.18	2,939
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	19	700.11 / 289.82	3,880
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	19	443.52 / 163.50	2,152
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	19	443.52 / 163.50	2,152

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GROUP PROPERTIES

as at 30 June 2014

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	19	474.43 / 153.28	1,571
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	19	474.43 / 153.28	1,571
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	20	153.29/ -	245

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PROXY FORM

Number of shares held :
CDS Account No :

I/We _____
of _____
hereby appoint _____ being a member / members of Edaran Berhad,
NRIC/Company No. _____
of _____ NRIC No. _____
or in his / her absence, _____ NRIC No. _____
of _____
as my/our proxy to vote for me/us on my/our behalf at the Twenty Second Annual General Meeting of Edaran Berhad to be held on Wednesday, 26 November 2014 at Rafflesia 1, Level LG 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: ● Tan Sri Dato' Tajudin Ramli		
RESOLUTION 2	To re-elect a Director retiring under Article 101 of the Company's Articles of Association: ● Dato' Abdul Malek Ahmad Shazili		
RESOLUTION 3	To re-elect a Director retiring under Article 101 of the Company's Articles of Association: ● Dato' Kamal Mohd Ali		
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 2014.		
RESOLUTION 6	To re-appoint Messrs. UHY 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 _____ 2014

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 18 November 2014 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**

First fold here



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

Tel : (6) 03-9206 7200
Fax : (6) 03-9284 3581

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

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

www.edaran.com