

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|-----------------------------------|---------------------|---------------------------|---------------------|---------------------------|
| | <u>Current Year</u> | <u>Corresponding Year</u> | <u>Current Year</u> | <u>Corresponding Year</u> |
| | <u>Quarter</u> | <u>Quarter</u> | <u>To Date</u> | <u>To Date</u> |
| | <u>31/03/2016</u> | <u>31/03/2015</u> | <u>31/03/2016</u> | <u>31/03/2015</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | 8,278 | 17,279 | 28,346 | 36,533 |
| COST OF SALES | (6,038) | (12,020) | (20,996) | (26,205) |
| GROSS PROFIT | 2,240 | 5,259 | 7,350 | 10,328 |
| OTHER OPERATING INCOME | 51 | 172 | 213 | 385 |
| ADMINISTRATIVE EXPENSES | (2,662) | (2,517) | (7,657) | (6,941) |
| OTHER OPERATING EXPENSES | (930) | (1,234) | (2,599) | (3,153) |
| PROFIT / (LOSS) FROM OPERATIONS | (1,301) | 1,680 | (2,693) | 619 |
| FINANCE COSTS | (147) | (124) | (465) | (399) |
| PROFIT / (LOSS) BEFORE TAXATION | (1,448) | 1,556 | (3,158) | 220 |
| TAXATION | (114) | 0 | (114) | 0 |
| PROFIT / (LOSS) AFTER TAXATION | (1,562) | 1,556 | (3,272) | 220 |
| EARNINGS / (LOSS) PER SHARE (SEN) | (2.57) | 2.51 | (5.43) | 0.24 |
| ATTRIBUTABLE TO: | | | | |
| EQUITY HOLDERS OF THE COMPANY | (1,490) | 1,451 | (3,146) | 137 |
| MINORITY INTEREST | (72) | 105 | (126) | 83 |
| | (1,562) | 1,556 | (3,272) | 220 |

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

| | | <u>AS AT END</u> <u>OF CURRENT YEAR</u> <u>TO DATE</u> <u>31/03/2016</u> RM'000 | <u>AS AT</u> <u>PRECEDING YEAR</u> <u>FINANCIAL YEAR</u> <u>ENDED</u> <u>30/06/2015</u> RM'000 |
|--|--------|---|---|
| | Note | | |
| ASSETS | | | |
| NON - CURRENT ASSETS | | | |
| Property, plant and equipment | | 23,091 | 23,692 |
| Other investment | 20 | - | - |
| | | <u>23,091</u> | <u>23,692</u> |
| CURRENT ASSETS | | | |
| Inventories | | 11,700 | 10,814 |
| Amount due from customers for contract works | | 4,006 | 3,649 |
| Trade receivables | | 2,870 | 4,612 |
| Other receivables | | 2,787 | 2,539 |
| Deposit with licensed banks | | 3,282 | 3,178 |
| Cash and bank balances | | 840 | 6,337 |
| | | <u>25,485</u> | <u>31,129</u> |
| TOTAL ASSETS | | <u>48,576</u> | <u>54,821</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | | 60,000 | 60,000 |
| Share premium | | 8,022 | 8,022 |
| Treasury shares | | (1,049) | (1,049) |
| Revaluation reserve | | 5,792 | 5,792 |
| Translation reserve | | (87) | (497) |
| Accumulated loss | | <u>(42,181)</u> | <u>(39,035)</u> |
| | | 30,497 | 33,233 |
| Non - controlling interests | | <u>(2,446)</u> | <u>(2,642)</u> |
| TOTAL EQUITY | | <u>28,051</u> | <u>30,591</u> |
| NON - CURRENT LIABILITIES | | | |
| Borrowings | 22 (b) | 3,314 | 3,447 |
| Deferred taxation | | 1,908 | 1,908 |
| | | <u>5,222</u> | <u>5,355</u> |
| CURRENT LIABILITIES | | | |
| Amount due to customers for contract works | | 2,386 | 1,825 |
| Trade payables | | 4,151 | 8,119 |
| Other payables | | 2,587 | 2,705 |
| Provision for taxation | | 279 | 200 |
| Borrowings | 22 (a) | 5,900 | 6,026 |
| | | <u>15,303</u> | <u>18,875</u> |
| Total liabilities | | <u>20,525</u> | <u>24,230</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>48,576</u> | <u>54,821</u> |

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2016

| | ← Non-Distributable → | | | | | Accumulated Loss RM'000 | Attributable to Equity Holders of the Company | Minority Interest | Total Equity |
|---|----------------------------|----------------------------|------------------------------|----------------------------------|----------------------------------|-------------------------------|--|----------------------|-----------------|
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM'000 | Revaluation Reserve RM'000 | Translation Reserve RM'000 | | Total RM'000 | RM'000 | Total RM'000 |
| At 1 July 2015 | 60,000 | 8,022 | (1,049) | 5,792 | (497) | (39,035) | 33,233 | (2,642) | 30,591 |
| Foreign currency translation | - | - | - | - | 410 | - | 410 | 322 | 732 |
| Loss for the period | - | - | - | - | - | (3,146) | (3,146) | (126) | (3,272) |
| Total comprehensive loss for the period | - | - | - | - | 410 | (3,146) | (2,736) | 196 | (2,540) |
| At 31 MARCH 2016 | 60,000 | 8,022 | (1,049) | 5,792 | (87) | (42,181) | 30,497 | (2,446) | 28,051 |
| At 1 July 2014 | 60,000 | 8,022 | (1,049) | 5,846 | (898) | (39,297) | 32,624 | (3,090) | 29,534 |
| Foreign currency translation | - | - | - | - | 169 | - | 169 | 162 | 331 |
| Profit for the period | - | - | - | - | - | 119 | 119 | 101 | 220 |
| Total comprehensive loss for the period | - | - | - | - | 169 | 119 | 288 | 263 | 551 |
| At 31 MARCH 2015 | 60,000 | 8,022 | (1,049) | 5,846 | (729) | (39,178) | 32,912 | (2,827) | 30,085 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)

EDARAN BERHAD

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR QUARTER ENDED 31 MARCH 2016**

| | Current Year to date 31/03/2016 RM' 000 | Corresponding Year to date 31/03/2015 RM' 000 |
|---|--|--|
| Net cash (used in)/generated from operating activities | (5,630) | (2,070) |
| Net cash (used in)/generated from investing activities | (54) | (156) |
| Net cash generated from/(used in) financing activities | <u>(2,806)</u> | <u>4,110</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (8,490) | 1,884 |
| Effect of Exchange rate changes | 550 | 87 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 5,652 | (2,169) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u><u>(2,288)</u></u> | <u><u>(198)</u></u> |

Cash and cash equivalents comprise the following:

| | | |
|--|-----------------------|---------------------|
| Bank overdrafts | (3,480) | (1,436) |
| Deposits with licensed banks | 3,282 | 3,145 |
| Cash and bank balances | <u>840</u> | <u>896</u> |
| | 642 | 2,605 |
| Less: Deposits pledged as security with licensed banks | <u>(2,930)</u> | <u>(2,803)</u> |
| | <u><u>(2,288)</u></u> | <u><u>(198)</u></u> |

**(The condensed Consolidated Cash Flow Statement should be read in conjunction with the
Annual Financial Report for the year ended 30 June 2015)**

EDARAN BERHAD

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) No 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2015.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 30 June 2015.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 30 June 2015 was not qualified.

3. Comments About Seasonal or Cyclical Factors

The Group’s performance is not affected by seasonal or cyclical impacts.

4. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the current quarter and financial period ended 31 March 2016.

5. Changes in estimates

There were no changes in the estimates that have had a material effect in the current quarter and financial period ended 31 March 2016.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter and financial period ended 31 March 2016 other than as mentioned below:-

As at 31 March 2016, the Company held as treasury shares a total of 2,094,800 of its 60,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,049,536.

7. Dividends Paid

There is no dividend paid during the financial period ended 31 March 2016.

8. Segmental Information

| | Current Quarter Ended 31/03/16 RM'000 | Current Year To Date Ended 31/03/16 RM'000 |
|------------------------|---|--|
| Segment Revenue | | |
| Information Technology | 6,172 | 21,208 |
| Telecommunications | - | - |
| Lifestyles | 2,106 | 7,138 |
| Others | 180 | 540 |
| | <u>8,458</u> | <u>28,886</u> |
| Elimination | (180) | (540) |
| Group revenue | <u>8,278</u> | <u>28,346</u> |
| Segment Results | | |
| Information Technology | (36) | 785 |
| Telecommunications | (324) | (849) |
| Lifestyles | (232) | (534) |
| Others | (540) | (1,592) |
| | <u>(1,132)</u> | <u>(2,190)</u> |
| Elimination | (169) | (503) |
| Loss from operations | <u>(1,301)</u> | <u>(2,693)</u> |

9. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 30 June 2015.

10. Subsequent Events

There were no material events subsequent to the end of the current quarter and financial period ended 31 March 2016.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period ended 31 March 2016.

12. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 30 June 2015.

13. Capital Commitments

There were no capital commitments for the current quarter and financial period ended 31 March 2016.

14. Performance Review

The Group's revenue for the current quarter and financial period ended 31 March 2016 decreased to RM28.346 million from RM36.533 million in the prior corresponding quarter and financial period ended 31 March 2015. The decrease in revenue resulted in the Group recording a loss before taxation of RM3.158 million compared to a profit before taxation of RM220 thousand for the corresponding quarter and financial period ended 31 March 2015.

15. Comment on Material Change in Profit Before Taxation

The Group recorded a loss before taxation of RM1.448 million for the current quarter ended 31 March 2016 (3Q16) as compared to RM847 thousand loss before taxation for the quarter ended 31 December 2015 (2Q16). The variance was mainly attributable to lower gross profit of RM2.240 million registered in 3Q16 as compared RM2.716 million registered in 2Q16.

16. Commentary on Prospects

The financial performance of the Group is expected to improve in the subsequent quarters.

17. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and shortfall in profit guarantee are not applicable.

18. Taxation

| | Current Quarter Ended 31/03/16 RM'000 | Current Year To Date Ended 31/03/16 RM'000 |
|--|---|--|
| Current year provision | Nil | Nil |
| Under/(over) provision in prior years | 114 | 114 |
| | <hr/> | <hr/> |
| | 114 | 114 |
| Deferred tax: | | |
| Relating to the origination and reversal of temporary differences | Nil | Nil |
| Over provision in prior years | Nil | Nil |
| | <hr/> | <hr/> |
| | Nil | Nil |
| | <hr/> | <hr/> |

19. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the quarter and financial period ended 31 March 2016.

20. Quoted and Unquoted securities

- i. There was no purchase or sale of quoted shares for the current quarter and financial year to date.
- ii. Investments in quoted and unquoted securities/warrants as at the end of the reporting period:-

| | <u>RM'000</u> |
|-------------------------------------|---------------|
| <u>Quoted</u> | |
| Shares, at cost | 5 |
| Less: Accumulated impairment losses | (5) |
| Total investment at book value | <u>0</u> |

21. Corporate Proposals

There were no corporate proposals announced for the current period and financial year to date.

22. Borrowings and Debt Securities

Details of the Group borrowings as at 31 March 2016 are as follows:

As at
31.03.16
RM'000

(a) Short Term borrowings Secured

| | |
|---|-------|
| Bank Overdraft | 3,480 |
| Trust Receipts | - |
| Bankers Acceptance | 2,187 |
| Term loan repayable within 12 months | 174 |
| Hire purchase creditor repayable within 12 months | 59 |
| | <hr/> |
| | 5,900 |
| | <hr/> |

(b) Long Term borrowings Secured

| | |
|--|-------|
| Term loan repayable after 12 months | 3,296 |
| Hire purchase creditor after 12 months | 18 |
| | <hr/> |
| | 3,314 |
| | <hr/> |

All of the above borrowings are denominated in Ringgit Malaysia.

23. Off Balance Sheet Financial Instruments

The Group is not involved in any financial instruments, which may have Off-Balance Sheet risk.

24. Dividend

No interim dividend has been declared or recommended in respect of the financial year ending 30 June 2016.

25. Earnings per share

| | Current Quarter ended 31/03/16 RM'000 | Current Year To Date Ended 31/03/16 RM'000 |
|---|--|--|
| Basic | | |
| Net loss attributable to equity holders of the Company for the period | (1,490) | (3,146) |
| Weighted average number of ordinary shares outstanding as at 30 June 2015 | 57,905 | 57,905 |
| Basic loss per share (sen) | (2.57) | (5.43) |
| Diluted | | |
| Net loss attributable to equity holders of the Company for the period | (1,490) | (3,146) |
| Weighted average number of ordinary shares outstanding as at 30 June 2015 | 57,905 | 57,905 |
| Basic loss per share (sen) | (2.57) | (5.43) |

26. Realised and unrealised retained earnings / accumulated loss

| | As at 31/03/16 RM'000 | As at 31/03/16 RM'000 |
|--|-----------------------------|-----------------------------|
| Total Accumulated Loss (Company and subsidiaries) | | |
| - Realised | (42,181) | (42,181) |
| - Unrealised | - | - |
| Total group accumulated loss | (42,181) | (42,181) |

27. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 May 2016.

BY ORDER OF THE BOARD

DATIN RIZANA MOHD DAUD
Company Secretary