

## 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>31/03/2017</u>	<u>31/03/2016</u>	<u>31/03/2017</u>	<u>31/03/2016</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	9,632	8,278	53,233	28,346
COST OF SALES	<u>(6,489)</u>	<u>(5,512)</u>	<u>(42,840)</u>	<u>(20,470)</u>
GROSS PROFIT	3,143	2,766	10,393	7,876
OTHER OPERATING INCOME	142	51	282	213
ADMINISTRATIVE EXPENSES	(3,089)	(3,188)	(8,703)	(8,183)
OTHER OPERATING EXPENSES	<u>(950)</u>	<u>(930)</u>	<u>(3,162)</u>	<u>(2,599)</u>
LOSS FROM OPERATIONS	(754)	(1,301)	(1,190)	(2,693)
FINANCE COSTS	<u>(205)</u>	<u>(147)</u>	<u>(555)</u>	<u>(465)</u>
LOSS BEFORE TAXATION	(959)	(1,448)	(1,745)	(3,158)
TAXATION	2	(114)	0	(114)
LOSS AFTER TAXATION	<u>(957)</u>	<u>(1,562)</u>	<u>(1,745)</u>	<u>(3,272)</u>
LOSS PER SHARE (SEN)	<u>(0.80)</u>	<u>(2.57)</u>	<u>(1.51)</u>	<u>(5.43)</u>
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	(462)	(1,490)	(875)	(3,146)
MINORITY INTEREST	<u>(495)</u>	<u>(72)</u>	<u>(870)</u>	<u>(126)</u>
	<u>(957)</u>	<u>(1,562)</u>	<u>(1,745)</u>	<u>(3,272)</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016)

## EDARAN BERHAD

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

		<u>AS AT END</u> <u>OF CURRENT YEAR</u> <u>TO DATE</u>	<u>AS AT</u> <u>PRECEDING YEAR</u> <u>FINANCIAL YEAR</u> <u>ENDED</u>
	Note	<u>31/03/2017</u> RM'000	<u>30/06/2016</u> RM'000
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment		31,051	24,580
Other investment	20	-	-
		<u>31,051</u>	<u>24,580</u>
<b>CURRENT ASSETS</b>			
Inventories		11,789	11,236
Amount due from customers for contract works		1,604	4,896
Trade receivables		3,753	4,747
Other receivables		5,725	2,404
Deposit with licensed banks		2,469	920
Cash and bank balances		492	603
		<u>25,832</u>	<u>24,806</u>
<b>TOTAL ASSETS</b>		<b><u>56,883</u></b>	<b><u>49,386</u></b>
<b>EQUITY AND LIABILITIES</b>			
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		9,728	5,785
Translation reserve		204	(349)
Accumulated loss		<u>(44,326)</u>	<u>(43,451)</u>
		32,579	28,958
Non - controlling interests		<u>(3,320)</u>	<u>(2,965)</u>
<b>TOTAL EQUITY</b>		<b><u>29,259</u></b>	<b><u>25,993</u></b>
<b>NON - CURRENT LIABILITIES</b>			
Borrowings	22 (b)	7,930	4,823
Deferred taxation		1,990	1,990
		<u>9,920</u>	<u>6,813</u>
<b>CURRENT LIABILITIES</b>			
Amount due to customers for contract works		3,102	1,577
Trade payables		4,450	5,675
Other payables		3,115	4,468
Provision for taxation		194	411
Borrowings	22 (a)	6,843	4,449
		<u>17,704</u>	<u>16,580</u>
Total liabilities		<u>27,624</u>	<u>23,393</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>56,883</u></b>	<b><u>49,386</u></b>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016)

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2017

	← Non-Distributable →					Attributable	Minority	Total	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	to Equity Holders of the Company Total RM'000	Interest RM'000	Equity Total RM'000	
At 1 July 2016	60,000	8,022	(1,049)	5,785	(349)	(43,451)	28,958	(2,965)	25,993
Foreign currency translation	-	-	-	-	553	-	553	514	1,067
Property Revaluation Surplus	-	-	-	3,943	-	-	3,943	-	3,943
Loss for the period	-	-	-	-	-	(875)	(875)	(869)	(1,744)
Total comprehensive loss for the period	-	-	-	3,943.00	553	(875)	3,621	(355)	3,266
<b>At 31 MARCH 2017</b>	<b>60,000</b>	<b>8,022</b>	<b>(1,049)</b>	<b>9,728</b>	<b>204</b>	<b>(44,326)</b>	<b>32,579</b>	<b>(3,320)</b>	<b>29,259</b>
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)
<b>At 31 MARCH 2016</b>	<b>60,000</b>	<b>8,022</b>	<b>(1,049)</b>	<b>5,792</b>	<b>(87)</b>	<b>(42,181)</b>	<b>30,497</b>	<b>(2,446)</b>	<b>28,051</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016)

**EDARAN BERHAD****CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR QUARTER ENDED 31 MARCH 2017**

	Current Year to date 31/03/2017 RM' 000	Corresponding Year to date 31/03/2016 RM' 000
Net cash (used in)/generated from operating activities	(1,761)	(5,630)
Net cash (used in)/generated from investing activities	(3,370)	(54)
Net cash generated from/(used in) financing activities	<u>4,130</u>	<u>(2,806)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,001)	(8,490)
Effect of Exchange rate changes	1,068	550
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	(108)	5,652
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>(41)</u>	<u>(2,288)</u>
Cash and cash equivalents comprise the following:		
Bank overdrafts	(2,449)	(3,480)
Deposits with licensed banks	2,469	3,282
Cash and bank balances	<u>492</u>	<u>840</u>
	512	642
Less: Deposits pledged as security with licensed banks	(553)	(2,930)
	<u>(41)</u>	<u>(2,288)</u>

**(The condensed Consolidated Cash Flow Statement should be read in conjunction with the  
Annual Financial Report for the year ended 30 June 2016)**

# **EDARAN BERHAD**

## **NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2017**

### **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 2016. 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 2016.

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 2016.

### **2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the year ended 30 June 2016 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 2017.

## 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 2017.

## 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 2017 other than as mentioned below:-

As at 31 March 2017, 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 2017.

## 8. Segmental Information

	Current Quarter Ended 31/03/17 RM'000	Current Year To Date Ended 31/03/17 RM'000
Segment Revenue		
Information Technology	8,424	47,836
Telecommunications	-	-
Lifestyles	1,208	5,397
Others	180	540
	<u>9,812</u>	<u>53,773</u>
Elimination	(180)	(540)
Group revenue	<u>9,632</u>	<u>53,233</u>
Segment Results		
Information Technology	1,404	3,697
Telecommunications	(340)	(806)
Lifestyles	(1,080)	(1,978)
Others	(656)	(1,857)
	<u>(672)</u>	<u>(944)</u>
Elimination	(82)	(246)
Loss from operations	<u>(754)</u>	<u>(1,190)</u>

## **9. Carrying Amount of Revalued Assets**

On 4 October 2016, the leasehold land and building of the subsidiary companies were revalued by an independent professional valuer. Fair value is determined by reference to market values or/and forced sale value on an existing use basis. Market Values is the estimate amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller, while Forced Sale Value is the amount that may reasonably be received from the sale of a property under forced sale conditions that do not meet all the criteria of a normal market transactions. The valuation surplus of RM3.943 million arising from the revaluation of the leasehold land and building is credited into the revaluation reserve.

## **10. Subsequent Events**

There were no material events subsequent to the end of the current quarter and financial period ended 31 March 2017.

## **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 2017 except for:-

### **Acquisition of Edaran Trade Network Sdn Bhd**

On 18 November 2016, the Company's wholly owned subsidiary acquired the entire issued and paid-up capital of Edaran Trade Network Sdn Bhd (Edaran Trade) comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

Edaran Trade was incorporated in Malaysia on 25 August 2015 with an authorised share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each. Edaran Trade is presently a dormant company.

Effectively, Edaran Trade has become a wholly-owned subsidiary of the Company.

The above acquisition will not have any material effects on the Group's financial results for the current year to date.

## **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 2016.

## **13. Capital Commitments**

There were no capital commitments for the current quarter and financial period ended 31 March 2017.

## **14. Performance Review**

The Group's revenue for the current quarter and financial period ended 31 March 2017 increased to RM53.233 million from RM28.346 million in the prior corresponding quarter and financial period ended 31 March 2016. The increase in revenue resulted in the Group recording a lower loss before taxation of RM1.745 million compared to a loss before taxation of RM3.158 million for the corresponding quarter and financial period ended 31 March 2016.

## **15. Comment on Material Change in Profit Before Taxation**

The Group recorded a loss before taxation of RM959 thousand for the current quarter ended 31 March 2017 (3Q17) as compared to RM166 thousand profit before taxation for the quarter ended 31 December 2016 (2Q17). The variance was mainly attributable to lower gross profit of RM3.142 million registered in 3Q17 as compared RM4.082 million registered in 2Q17.

## **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 31/03/17 RM'000	Current Year To Date Ended 31/03/17 RM'000
Current year provision	Nil	Nil
Under/(over) provision in prior years	Nil	Nil
	<hr/>	<hr/>
	Nil	Nil
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/>	<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 2017.

## 20. Quoted and Unquoted securities

There was no purchase or sale of quoted shares for the current quarter and financial year to date.

## 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 2017 are as follows:

	As at 31.03.17 RM'000
(a) <b><u>Short Term borrowings</u></b>	
<b><u>Secured</u></b>	
Bank Overdraft	2,449
Trust Receipts	-
Bankers Acceptance	3,690
Term loan repayable within 12 months	128
Hire purchase creditor repayable within 12 months	576
	<hr/> 6,843 <hr/>
(b) <b><u>Long Term borrowings</u></b>	
<b><u>Secured</u></b>	
Term loan repayable after 12 months	3,463
Hire purchase creditor after 12 months	4,467
	<hr/> 7,930 <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 2017.

## 25. Earnings per share

	Current Quarter ended 31/03/17 RM'000	Current Year To Date Ended 31/03/17 RM'000
<b>Basic</b>		
Net loss attributable to equity holders of the Company for the period	(462)	(875)
Weighted average number of ordinary shares outstanding as at 30 June 2016	57,905	57,905
Basic loss per share (sen)	(0.80)	(1.51)
<b>Diluted</b>		
Net loss attributable to equity holders of the Company for the period	(462)	(875)
Weighted average number of ordinary shares outstanding as at 30 June 2016	57,905	57,905
Basic loss per share (sen)	(0.80)	(1.51)

## 26. Realised and unrealised accumulated loss

	As at 31/03/17 RM'000
<b>Total Accumulated Loss (Company and subsidiaries)</b>	
- Realised	(42,017)
- Unrealised	(2,309)
Total group accumulated loss	<b>(44,326)</b>

## 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 24 May 2017.

### BY ORDER OF THE BOARD

**EN. ASBANIZAM ABU BAKAR**  
Assistant Company Secretary