

EDARAN BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year	Corresponding Year	Current Year	Corresponding Year
	Quarter	Quarter	To Date	To Date
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	RM'000	RM'000	RM'000	RM'000
REVENUE	31,507	10,471	84,740	38,817
COST OF SALES	<u>(28,850)</u>	<u>(6,678)</u>	<u>(71,690)</u>	<u>(27,674)</u>
GROSS PROFIT	2,657	3,793	13,050	11,143
OTHER OPERATING INCOME	54	244	336	457
ADMINISTRATIVE EXPENSES	(3,279)	(3,618)	(11,982)	(11,275)
OTHER OPERATING EXPENSES	<u>(1,120)</u>	<u>(1,555)</u>	<u>(4,282)</u>	<u>(4,154)</u>
LOSS FROM OPERATIONS	(1,688)	(1,136)	(2,878)	(3,829)
FINANCE COSTS	<u>(207)</u>	<u>(178)</u>	<u>(762)</u>	<u>(643)</u>
LOSS BEFORE TAXATION	(1,895)	(1,314)	(3,640)	(4,472)
TAXATION	<u>(557)</u>	<u>(384)</u>	<u>(557)</u>	<u>(498)</u>
LOSS AFTER TAXATION	<u><u>(2,452)</u></u>	<u><u>(1,698)</u></u>	<u><u>(4,197)</u></u>	<u><u>(4,970)</u></u>
LOSS PER SHARE (SEN)	<u><u>(2.47)</u></u>	<u><u>(2.33)</u></u>	<u><u>(3.98)</u></u>	<u><u>(7.77)</u></u>
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	(1,430)	(1,352)	(2,304)	(4,498)
NON-CONTROLLING INTERESTS	<u>(1,022)</u>	<u>(346)</u>	<u>(1,893)</u>	<u>(472)</u>
	<u><u>(2,452)</u></u>	<u><u>(1,698)</u></u>	<u><u>(4,197)</u></u>	<u><u>(4,970)</u></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 30 JUNE 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>30/06/2017</u> RM'000	<u>30/06/2016</u> RM'000
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment		30,056	24,580
Other investment	20	-	-
		<u>30,056</u>	<u>24,580</u>
CURRENT ASSETS			
Inventories		10,511	11,236
Amount due from customers for contract works		2,001	4,896
Trade receivables		8,007	4,747
Other receivables		6,028	2,404
Deposit with licensed banks		136	920
Cash and bank balances		18,081	603
		<u>44,764</u>	<u>24,806</u>
TOTAL ASSETS		<u>74,820</u>	<u>49,386</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		8,536	5,785
Translation reserve		252	(349)
Accumulated loss		<u>(45,508)</u>	<u>(43,450)</u>
		30,253	28,959
Non - controlling interests		<u>(4,330)</u>	<u>(2,966)</u>
TOTAL EQUITY		<u>25,923</u>	<u>25,993</u>
NON - CURRENT LIABILITIES			
Borrowings	22 (b)	7,189	4,823
Deferred taxation		2,731	1,990
		<u>9,920</u>	<u>6,813</u>
CURRENT LIABILITIES			
Amount due to customers for contract works		4,937	1,577
Trade payables		14,642	5,675
Other payables		15,322	4,468
Provision for taxation		924	411
Borrowings	22 (a)	3,152	4,449
		<u>38,977</u>	<u>16,580</u>
Total liabilities		<u>48,897</u>	<u>23,393</u>
TOTAL EQUITY AND LIABILITIES		<u>74,820</u>	<u>49,386</u>

(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 30 JUNE 2017

	← Non-Distributable →					Attributable to Equity		Total Equity	
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Translation Reserve	Accumulated Loss	Total		Minority Interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2016	60,000	8,022	(1,049)	5,785	(349)	(43,450)	28,959	(2,966)	25,993
Foreign currency translation	-	-	-	-	601	-	601	529	1,130
Revaluation of land and buildings	-	-	-	2,997	-	-	2,997	-	2,997
Loss for the period	-	-	-	-	-	(2,304)	(2,304)	(1,893)	(4,197)
Total comprehensive loss for the period	-	-	-	2,997	601	(2,304)	1,294	(1,364)	(70)
Realisation of revaluation reserve				(246)		246	-	-	-
At 30 JUNE 2017	60,000	8,022	(1,049)	8,536	252	(45,508)	30,253	(4,330)	25,923
At 1 July 2014	60,000	8,022	(1,049)	5,792	(497)	(39,035)	33,233	(2,642)	30,591
Foreign currency translation	-	-	-	-	148	-	148	148	296
Effect of changes of tax rate on revaluation reserve	-	-	-	76	-	-	76	-	76
Loss for the period	-	-	-	-	-	(4,498)	(4,498)	(472)	(4,970)
Total comprehensive loss for the period	-	-	-	76	148	(4,498)	(4,274)	(324)	(4,598)
Realisation of revaluation reserve				(83)		83	-	-	-
At 30 JUNE 2016	60,000	8,022	(1,049)	5,785	(349)	(43,450)	28,959	(2,966)	25,993

(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 30 JUNE 2017**

	Current Year to date 30/06/17 RM' 000	Corresponding Year to date 30/06/16 RM' 000
Net cash (used in)/generated from operating activities	17,235	(4,792)
Net cash (used in)/generated from investing activities	(2,163)	(534)
Net cash generated from/(used in) financing activities	<u>2,214</u>	<u>(700)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17,286	(6,026)
Effect of Exchange rate changes	931	266
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(108)	5,652
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>18,109</u></u>	<u><u>(108)</u></u>

Cash and cash equivalents comprise the following:

Bank overdrafts	-	(1,067)
Deposits with licensed banks	136	920
Cash and bank balances	<u>18,081</u>	<u>603</u>
	18,217	456
Less: Deposits pledged as security with licensed banks	(108)	(564)
	<u><u>18,109</u></u>	<u><u>(108)</u></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 30 JUNE 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 30 June 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 30 June 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 30 June 2017 other than as mentioned below:-

As at 30 June 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 30 June 2017.

8. Segmental Information

	Current Quarter Ended 30/06/17 RM'000	Current Year To Date Ended 30/06/17 RM'000
Segment Revenue		
Information Technology	30,509	78,345
Telecommunication	-	-
Lifestyle	998	6,395
Others	980	1,520
	<u>32,487</u>	<u>86,260</u>
Elimination	(980)	(1,520)
Group revenue	<u>31,507</u>	<u>84,740</u>
Segment Results		
Information Technology	1,332	5,029
Telecommunication	(233)	(1,039)
Lifestyle	(2,149)	(4,127)
Others	245	(1,612)
	<u>(805)</u>	<u>(1,749)</u>
Elimination	(883)	(1,129)
Loss from operations	<u>(1,688)</u>	<u>(2,878)</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 30 June 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 30 June 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 30 June 2017.

14. Performance Review

The Group's revenue for the current quarter and financial period ended 30 June 2017 increased to RM84.740 million from RM38.817 million in the prior corresponding quarter and financial period ended 30 June 2016. The increase in revenue was mainly due to new projects secured and the completion of the certain projects during the period. This resulted in the Group recording a lower loss before taxation of RM3.640 million compared to a loss before taxation of RM4.472 million for the corresponding quarter and financial period ended 30 June 2016.

15. Comment on Material Change in Profit Before Taxation

The Group recorded a loss before taxation of RM1.895 million for the current quarter ended 30 June 2017 (4Q17) as compared to RM959 thousand loss before taxation for the quarter ended 31 March 2017 (3Q17). The variance was mainly attributable to lower gross profit of RM2.657 million registered in 4Q17 as compared to RM3.143 million registered in 3Q17.

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 30/06/17 RM'000	Current Year To Date Ended 30/06/17 RM'000
Provision for Current year tax	(775)	(775)
Reversal of prior year tax		
Under/(over) provision in prior years	12	12
	<u>(763)</u>	<u>(763)</u>
Deferred tax:		
Provision for deferred tax	Nil	Nil
Tax income from crystallisation	206	206
	<u>(557)</u>	<u>(557)</u>

19. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the quarter and financial period ended 30 June 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 30 June 2017 are as follows:

As at
30.06.17
RM'000

(a) Short Term borrowings Secured

Bank Overdraft	-
Trust Receipts	-
Bankers Acceptance	2,303
Term loan repayable within 12 months	289
Hire purchase creditor repayable within 12 months	560
	<hr/>
	3,152

(b) Long Term borrowings Secured

Term loan repayable after 12 months	3,201
Hire purchase creditor after 12 months	3,988
	<hr/>
	7,189

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 ended 30 June 2017.

25. Earnings per share

	Current Quarter ended 30/06/17 RM'000	Current Year To Date Ended 30/06/17 RM'000
Basic		
Net loss attributable to equity holders of the Company for the period	(1,430)	(2,304)
Weighted average number of ordinary shares outstanding as at 30 June 2017	57,905	57,905
Basic loss per share (sen)	(2.47)	(3.98)
Diluted		
Net loss attributable to equity holders of the Company for the period	(1,430)	(2,304)
Weighted average number of ordinary shares outstanding as at 30 June 2017	57,905	57,905
Basic loss per share (sen)	(2.47)	(3.98)

26. Realised and unrealised retained earnings / accumulated loss

	As at 30/06/17 RM'000	As at 30/06/16 RM'000
Total Accumulated Loss (Company and subsidiaries)		
- Realised	(43,199)	(41,141)
- Unrealised	(2,309)	(2,309)
Total group accumulated loss	(45,508)	(43,450)

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 30 August 2017.

BY ORDER OF THE BOARD

EN. ASBANIZAM ABU BAKAR
Assistant Company Secretary