

Quarterly report

Quarterly report on results for the fourth quarter ended 28th February 2009.
The figures have not been audited.

CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER <u>28.02.2009</u> RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>29.2.2008(Audited)</u> RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	29,577	32,118
Prepaid land lease payment	474	480
Intangible Assets	<u>32,829</u>	<u>30,721</u>
	62,880	63,319
Current Assets		
Trade Receivables	1,136	3,940
Other Receivables, Deposits and Prepayments	207	301
Short term investment	-	1,049
Cash and Bank Balances	<u>565</u>	<u>2,314</u>
	1,908	7,604
TOTAL ASSETS	64,788	70,923
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital		
Ordinary shares of RM0.10 each	24,532	24,532
Reserves		
Share Premium	20,661	20,661
Warrant Reserve	319	319
Translation Reserve	(543)	(209)
Retained Profits	17,752	25,221
Less: 3,423,300 treasury shares, at cost	<u>(669)</u>	<u>(324)</u>
	62,052	70,200
Minority Interest	-	-
Total Equity	62,052	70,200
Non Current Liabilities		
Hire Purchase Liabilities	235	23
Deferred Tax	<u>127</u>	<u>127</u>
	362	150
Current Liabilities		
Trade Payables	24	24
Other Payables and Accruals	672	452
Bank overdraft	1,503	-
Hire Purchase Liabilities	119	41
Tax Payable	<u>56</u>	<u>56</u>
	2,374	573
Total Liabilities	2,736	723
TOTAL EQUITY AND LIABILITIES	64,788	70,923
Net assets per share (RM)	0.2529	0.2862

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 29 February 2008 and the accompanying explanatory notes attached to this report.

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CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 28-02-2009 RM '000	Preceding Yr Corresponding Quarter 29-02-2008 RM '000	Current Year To Date 28-02-2009 RM '000	Preceding Yr Corresponding Yr To Date 29-02-2008 RM '000
Revenue	492	3,042	5,834	15,048
Cost of services	(333)	(352)	(1,360)	(1,628)
Gross profit	159	2,690	4,474	13,420
Other income	-	197	8	236
Administration expenses	(1,384)	(1,218)	(3,958)	(3,373)
Depreciation and amortisation	(1,957)	(1,449)	(7,920)	(3,029)
Finance costs	(32)	(1)	(62)	(5)
Profit before tax	(3,214)	219	(7,458)	7,249
Taxation	(1)	(58)	(11)	(63)
Deferred tax	-	(127)	-	(127)
Profit after tax	(3,215)	34	(7,469)	7,059
Minority interests	-	-	-	-
Net profit for the period/year	(3,215)	34	(7,469)	7,059
Profit for the period attributable to:				
Equity holders of the parent	(3,215)	34	(7,469)	7,059
Minority Interest	-	-	-	-
	(3,215)	34	(7,469)	7,059
Earnings per share (sen) :				
- basic	(1.37)	0.01	(3.21)	2.95
- diluted	(1.37)	0.01	(3.21)	2.62

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 29 February 2008 and the accompanying explanatory notes attached to this report.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 28 FEBRUARY 2009

Group	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Translation reserve RM'000	Other reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Total equity RM'000
12 months ended								
28 February 2009								
As previously stated As at 1 March 2008	24,532	20,661	319	(209)	-	25,221	(324)	70,200
Purchase of treasury shares at cost	-	-	-	-	-	-	(345)	(345)
Exchange differences	-	-	-	(334)	-	-	-	(334)
Net profit for the period	-	-	-	-	-	(7,469)	-	(7,469)
As at 28 February 2009	<u>24,532</u>	<u>20,661</u>	<u>319</u>	<u>(543)</u>	<u>-</u>	<u>17,752</u>	<u>(669)</u>	<u>62,052</u>
12 months ended								
29 February 2008								
As at 1 March 2007	21,707	15,917	446	(112)	210	18,162	-	56,330
Issue of shares								
-exercise of option	910	788	-	-	(470)	-	-	1,228
-warrant conversion	1,915	3,956	(128)					5,743
-option expenses		-			260			260
Purchase of treasury shares shares at cost							(324)	(324)
Exchange differences	-	-	-	(98)	-	-	-	(98)
Net profit for the period	-	-	-	-	-	7,059	-	7,059
As at 29 February 2008	<u>24,532</u>	<u>20,661</u>	<u>318</u>	<u>(210)</u>	<u>-</u>	<u>25,221</u>	<u>(324)</u>	<u>70,198</u>

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 29 February 2008 and the accompanying explanatory notes attached to this report.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 MARCH 2007 TO 28 FEBRUARY 2009

	1.03.2008 to 28.02.2009	1.03.2007 to 29.02.2008
	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(7,458)	7,249
Adjustments for non cash item	7,646	3,146
Operating profit before working capital changes	<u>188</u>	<u>10,395</u>
Changes in working capital:		
Trade and other receivables	2,898	879
Trade and other payables	<u>220</u>	<u>205</u>
Cash generated from operations	3,306	11,479
Development cost paid	(1,968)	(1,357)
Tax paid	<u>(11)</u>	<u>(7)</u>
Net cash generated from operating activities	<u>1,327</u>	<u>10,115</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	8	55
Purchase of property, plant and equipment	<u>(5,520)</u>	<u>(18,725)</u>
Net cash used in investing activities	<u>(5,512)</u>	<u>(18,670)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(62)	(5)
Proceeds from conversion of warrant to shares	-	5,742
Proceeds from issuance of shares	-	1,229
Repayment of hire purchase liabilities	291	(42)
Payment for share buy back	<u>(345)</u>	<u>(324)</u>
Net cash (used in)/generated from financing activities	<u>(116)</u>	<u>6,600</u>
Net decrease in cash and cash equivalents	(4,301)	(1,955)
Cash and cash equivalents at beginning of financial year	3,363	5,318
Cash and cash equivalents at end of financial year	<u>(938)</u>	<u>3,363</u>
Cash and cash equivalents comprise		
Short term investment	-	1,049
Cash and bank balances	565	2,314
Bank overdraft	<u>(1,503)</u>	<u>-</u>
	<u>(938)</u>	<u>3,363</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited statements for the financial year ended 29 February 2008 and the accompanying explanatory notes attached to this report.



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A1. BASIS OF PREPARATION

The quarterly report is unaudited and has been prepared in compliance with Financial Reporting Standards ("FRS") No 134 – "Interim Financial Reporting" and paragraph 9.22 of Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s Listing Requirements for the MESDAQ Market.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 29 February 2008. The explanatory note attached to the interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 29 February 2008.

The accounting policies and methods of computation adopted in these interim financial statements of the Company and its subsidiaries ("The Group") are consistent with those adopted for the annual audited financial statements for the FYE 29 February 2008.

A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the FYE 29 February 2008 were not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The Company's business operations are not affected by any significant seasonal or cyclical factors.

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that had a material effect in the current quarter results.

A6. MOVEMENTS IN DEBT/ EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 28 February 2009.

A7. DIVIDENDS

No dividends were paid and/or declared during the quarter under review.

A8. SEGMENTAL REPORTING

There is no segmental reporting for the Company's businesses as the Company is involved in a single business activity that is the development of e-marketplace for enterprises and are predominantly in Malaysia as its foreign subsidiaries have not commenced operations.

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Company did not carry out any valuation on its property, plant and equipment.

A10. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT QUARTER

There were no material events subsequent to the end of the current quarter.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group in the quarter under review



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A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities other than those disclosed in Note B11. There were no contingent assets since the last annual balance sheet as at 28 February 2008.

A13. CAPITAL COMMITMENTS

There were no capital commitments in the fourth quarter ended 28 February 2009.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. REVIEW OF RESULTS FOR THE QUARTER ENDED 28 FEBRUARY 2009

The Group recorded a consolidated loss after taxation of approximately RM3.214 million with revenue of approximately RM0.492 million for the current quarter ended 28 February 2009, as compared with the corresponding period of the preceding year ended 29 February 2008 when the Group achieved a consolidated profit after taxation of approximately RM0.034 million and revenue of approximately RM3.042 million. The consolidated revenue for the current quarter ended 28 February 2009 decreased by approximately 83.83% respectively on year on year basis.

The decrease in the Group's profit as compared to the corresponding quarter of the preceding financial year end was mainly due to lower sales revenue, higher amortisation of development charges and depreciation of the computer equipment.

The economic downturn has hurt the Company particularly hard as advertisers cut back on spending. An increasing challenging economic climate and softening advertising demand contributed to revenues this quarter coming in at the low end of our outlook range.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX IN COMPARISON TO THE PREVIOUS QUARTER

The Group recorded a consolidated revenue of approximately RM0.492 million for the fourth quarter ended 28 February 2009, representing increase of approximately 62.38% from the consolidated revenue recorded in the immediate preceding third quarter ended 30 November 2008 of approximately RM0.303 million. The Group's loss before tax (LBT) of approximately RM3.214 million as compared to the LBT recorded in the previous quarter ended 30 November 2008 of approximately RM3.147 million.

B3. COMING YEAR PROSPECTS

For the year ended 28 February 2009, asiaEP's loss after taxation of RM7.469 million as compared with its audited profit after taxation of approximately RM7.059 million for the financial year ended 29 February 2008..

The Group will continue to develop its online business model and improve the quality of its product offerings through product developments and updated versions of existing products with enhanced features to meet various business requirements of its customers.

Whilst the above efforts are expected to contribute to the long term growth of the Group, these developments would entail investments in infrastructure as well as in depreciation and amortisation for the Group.

The Board expects the financial performances of the Group to be challenging for financial year ending 28 February 2010.

B4. PROFIT FORECAST

Not applicable as no profit forecast or profit guarantee was published.

B5. TAXATION

On 18 January 2007, Defined Search Sdn Bhd ("DSSB"), a wholly owned subsidiary of the Company was granted MSC Status. Due to the above, DSSB would be able to enjoy tax free status that is renewable up to January 2017.

B6. PROFITS OR LOSSES ON DISPOSAL OF UNQUOTED INVESTMENT/PROPERTIES

There were no purchase or disposal of unquoted investment and or properties for the current quarter under review and current financial year-to-date.

B7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchase / disposal of quoted securities during the current quarter under review and current financial year-to-date.



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B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

Save as disclosed below, there are no other corporate proposals announced but not completed as at the date of this report.

Proposed Rights Issue with Warrants, Proposed Bonus Issue and Proposed Increased in Authorised Share Capital

On 27th March the Company announced to undertake the following:

(i) Proposed renounceable two-call rights issue of up to 293,037,675 new ordinary shares of RM0.10 each in asiaEP ("Rights Shares") on the basis of 1 Rights Share for each existing ordinary share of RM0.10 each in asiaEP ("asiaEP Shares") held on an entitlement date to be determined later, together with:

(a) bonus issue of up to 293,037,675 new asiaEP Shares ("Bonus Shares") on the basis of 1 Bonus Share for each Rights Share subscribed; and

(b) issuance of up to 293,037,675 new free detachable warrants ("Warrants") on the basis of 1 Warrant for each Rights Share subscribed,

with the Rights Share at an indicative issue price of RM0.10 each, of which the indicative first call of RM0.05 for each Rights Share is payable in cash on application and the second call of RM0.05 for each Rights Share is to be capitalised from asiaEP's share premium account ("Proposed Rights Issue");

(ii) Proposed increase in authorised share capital of asiaEP from RM50,000,000 comprising 500,000,000 asiaEP Shares to RM150,000,000 comprising 1,500,000,000 asiaEP Shares ("Proposed Increase in Authorised Share Capital"); and

(iii) Proposed amendments to the Memorandum and Articles of Association of asiaEP ("Proposed Amendments"),

(hereinafter collectively referred to as the "Proposals").

Based on the First Call of RM0.05 per Rights Share, the total gross proceeds that are expected to be raised from the Proposed Rights Issue will be between RM12.095 million and RM14.652 million (maximum scenario). The proceeds will be utilised to repay the bank borrowing; purchase of computer equipments and peripherals; marketing and promotional activities; working capital requirements and defraying of expenses relating to the Proposals.

B9. BORROWING AND DEBT SECURITIES

The Company does not have any borrowings and debt securities as at 28 February 2009, apart from the disclosed amount of hire purchase creditors and bank overdraft.

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the date of this report.

B11. MATERIAL LITIGATION

Save for the following, asiaEP is not engaged in any material litigation, claim or arbitration either as plaintiff or defendant, which may have a material effect on the financial position of asiaEP and the Directors do not have any knowledge of any proceedings, pending or threatened, against asiaEP or of any facts which is likely to give rise to any proceedings which may materially and adversely affect the financial position or business of asiaEP;

Kuala Lumpur High Court Suit No. D5-22-1910-00
Parties: asiaEP Sdn. Bhd. v A-Zone (M) Sdn. Bhd and Lee Keong Sek

asiaEP has filed a suit against A-Zone Sdn Bhd and Lee Keong Sek (collectively referred to as the "Defendants") for infringement of copyright and passing off in relation to asiaEP's business. An interim injunction has been obtained by asiaEP restraining the Defendants from further infringement. The Defendants have filed their defense and counter claim.

The case is presently at the stage of proceeding to Pre-Trial Case Management. The solicitors representing asiaEP are of the view that the suit may take 2 to 5 years to reach trial.



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B12. EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 28-02-2009	Preceding Yr Corresponding Quarter 29-02-2008	Current Year To Date 28-02-2009	Preceding Yr Corresponding Yr To Date 29-02-2008
(a) Basic earnings per share				
Net profit / (loss) for the period (RM'000)	(3,215)	34	(7,469)	7,059
Weighted average number of ordinary shares for the purpose of basic earnings per share computation ('000)	234,399	245,318	234,399	217,074
New shares issue pursuant to warrants	-	-	-	10,997
New shares issue pursuant to share options	-	-	-	8,045
Share buy back	(514)	(308)	(1,549)	-
	233,885	245,010	232,850	236,116
Basic earnings per share (sen)	(1.37)	0.01	(3.21)	2.99

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary share i.e. warrants and share options granted to employees.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 28-02-2009	Preceding Yr Corresponding Quarter 29-02-2008	Current Year To Date 28-02-2009	Preceding Yr Corresponding Yr To Date 29-02-2008
Net profit for the period (RM'000)	(3,215)	34	(7,469)	7,059
Weighted average number of ordinary shares for the purpose of basic earnings per share computation ('000)	233,885	245,010	232,850	236,116
<i>Add:</i> Adjustment for share options ('000)	-	-	-	7,415
Adjustment for warrants	-	-	-	23,037
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)	233,885	245,010	232,850	266,568
Diluted earnings per share (sen)	(1.37)	0.01	(3.21)	2.65

BY ORDER OF THE BOARD OF DIRECTORS OF ASIAEP

Lee Suet Hong

Director

Selangor

Dated: 24 April 2009