

**Quarterly report**

Quarterly report on results for the first quarter ended 31st May 2009.  
 The figures have not been audited.

**CONDENSED CONSOLIDATED BALANCE SHEET**

	AS AT END OF CURRENT QUARTER <u>31.05.2009</u> RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>29.2.2009 (Audited)</u> RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	27,798	28,976
Prepaid land lease payment	473	475
Intangible Assets	33,099	32,723
	<u>61,370</u>	<u>62,174</u>
<b>Current Assets</b>		
Trade Receivables	2,877	1,644
Other Receivables, Deposits and Prepayments	68	117
Tax recoverable	5	5
Cash and Bank Balances	907	531
	<u>3,857</u>	<u>2,297</u>
<b>TOTAL ASSETS</b>	<u>65,227</u>	<u>64,471</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital		
Ordinary shares of RM0.10 each	24,532	24,532
Reserves		
Share Premium	20,580	20,661
Warrant Reserve	319	319
Translation Reserve	(743)	(704)
Retained Profits	17,601	17,537
Less: 3,423,300 treasury shares, at cost	(669)	(669)
	<u>61,620</u>	<u>61,676</u>
<b>Minority Interest</b>	-	-
<b>Total Equity</b>	<u>61,620</u>	<u>61,676</u>
<b>Non Current Liabilities</b>		
Hire Purchase Liabilities	313	226
Deferred Tax	239	239
	<u>552</u>	<u>465</u>
<b>Current Liabilities</b>		
Trade Payables	24	24
Other Payables and Accruals	1,375	673
Bank overdraft	1,501	1,504
Hire Purchase Liabilities	155	129
	<u>3,055</u>	<u>2,330</u>
<b>Total Liabilities</b>	<u>3,607</u>	<u>2,795</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>65,227</u>	<u>64,471</u>
<b>Net assets per share (RM)</b>	<b>0.2512</b>	0.2514

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 28 February 2009 and the accompanying explanatory notes attached to this report.

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### CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31-05-2009 RM '000	Preceding Yr Corresponding Quarter 31-05-2008 RM '000	Current Year To Date 31-05-2009 RM '000	Preceding Yr Corresponding Yr To Date 31-05-2008 RM '000
<b>Revenue</b>	<b>3,183</b>	3,205	<b>3,183</b>	3,205
Cost of services	(384)	(325)	(384)	(325)
<b>Gross profit</b>	<b>2,800</b>	2,880	<b>2,800</b>	2,880
Other income	27	10	27	10
Administration expenses	(780)	(843)	(780)	(843)
Depreciation and amortisation	(1,950)	(1,991)	(1,950)	(1,991)
Finance costs	(32)	(1)	(32)	(1)
<b>Profit before tax</b>	<b>65</b>	55	<b>65</b>	55
Taxation	(1)	(2)	(1)	(2)
Deferred tax	-	-	-	-
<b>Profit after tax</b>	<b>64</b>	53	<b>64</b>	53
Minority interests	-	-	-	-
<b>Net profit for the period/year</b>	<b>64</b>	53	<b>64</b>	53
Profit for the period attributable to:				
Equity holders of the parent	64	53	64	53
Minority Interest	-	-	-	-
	<b>64</b>	53	<b>64</b>	53
Earnings per share (sen) :				
- basic	<b>0.03</b>	0.02	<b>0.03</b>	0.02
- diluted	<b>0.03</b>	0.02	<b>0.03</b>	0.02

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 28 February 2009 and the accompanying explanatory notes attached to this report.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MAY 2009**

Group	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Total equity RM'000
<b><u>3 months ended</u></b>							
<b><u>31 May 2009</u></b>							
As at 1 March 2009	24,532	20,661	319	(704)	17,537	(669)	61,676
Proposed two call rights and bonus issues	-	(81)	-	-	-	-	(81)
Exchange differences	-	-	-	(39)	-	-	(39)
Net profit for the period	-	-	-	-	64	-	64
As at 31 May 2009	<u>24,532</u>	<u>20,580</u>	<u>319</u>	<u>(743)</u>	<u>17,601</u>	<u>(669)</u>	<u>61,620</u>
<b><u>3 months ended</u></b>							
<b><u>31 May 2008</u></b>							
As at 1 March 2008	24,532	20,661	319	(209)	25,221	(324)	70,200
Purchase of treasury shares shares at cost	-	-	-	-	-	(99)	(99)
Net profit for the period	-	-	-	-	53	-	53
As at 31 May 2009	<u>24,532</u>	<u>20,661</u>	<u>319</u>	<u>(209)</u>	<u>25,274</u>	<u>(423)</u>	<u>70,154</u>

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2009 and the accompanying explanatory notes attached to this report.

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### CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 MARCH 2009 TO 31 MAY 2009

	<b>1.03.2009 to 31.05.2008</b>	<b>1.03.2008 to 31.05.2008</b>
	RM '000	RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	65	55
Adjustments for non cash item	1,916	1,983
Operating profit before working capital changes	<u>1,981</u>	<u>2,038</u>
Changes in working capital:		
Trade and other receivables	(1,184)	(290)
Trade and other payables	702	115
Cash generated from operations	<u>1,499</u>	<u>1,863</u>
Development cost paid	(158)	(1,465)
Tax paid	(1)	(2)
Net cash generated from operating activities	<u>1,340</u>	<u>396</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1	10
Proceeds from disposal of property, plant and equipment	28	-
Purchase of property, plant and equipment	(990)	(1,456)
Net cash used in investing activities	<u>(960)</u>	<u>(1,446)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(32)	(1)
Right issue expenses	(81)	-
Repayment of bank overdraft	(3)	-
Hire purchase liabilities	113	(11)
Payment for share buy back	-	(99)
Net cash generated/(used in) from financing activities	<u>(3)</u>	<u>(111)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>376</b>	<b>(1,161)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>531</b>	<b>3,363</b>
<b>Cash and cash equivalents at end of financial period</b>	<b><u>907</u></b>	<b><u>2,202</u></b>
<b>Cash and cash equivalents comprise</b>		
Short term investment	-	1,056
Cash and bank balances	907	1,146
	<u>907</u>	<u>2,202</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited statements for the financial year ended 28 February 2009 and the accompanying explanatory notes attached to this report.

## Quarterly 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") 28 February 2009. 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 28 February 2009.

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 28 February 2009.

### A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the FYE 28 February 2009 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 31 May 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 2009.

#### A13. CAPITAL COMMITMENTS

There were no capital commitments in the first quarter ended 31 May 2009.

#### **ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

#### B1. REVIEW OF RESULTS FOR THE QUARTER ENDED 31 MAY 2009

The Group recorded a consolidated profit after taxation of approximately RM0.064 million with revenue of approximately RM3.183 million for the current quarter ended 31 May 2009, as compared with the corresponding period of the preceding year ended 31 May 2008 when the Group achieved a consolidated profit after taxation of approximately RM0.053 million and revenue of approximately RM3.205 million. There was an increase of approximately 20.75% in profit after taxation. The consolidated revenue for the current quarter ended 31 May 2009 decreased by approximately 0.69% on year on year basis.

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

The Group recorded a consolidated revenue of approximately RM3.183 million for the first quarter ended 31 May 2009, representing increase of approximately 546.95% from the consolidated revenue recorded in the immediate preceding fourth quarter ended 28 February 2009 of approximately RM0.492 million. The Group's profit before tax of approximately RM0.065 million as compared to the loss before tax recorded in the previous quarter ended 28 February 2009 of approximately RM3.214 million.

The substantial increase in revenue and profit was mainly due to improvement in market confidence after stimulus packages announced by Malaysian government. The Company foresee the economic conditions still remain challenging in the foreseeable future.

#### B3. COMING YEAR PROSPECTS

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.

On 4 June 2009, the Company announced the revisions to certain terms of the Rights Issue ("Revised Terms"). The Revised Terms included, inter alia, the revision of the indicative subscription price from RM0.05 to RM0.06 per Rights Share.

On 5 June 2009, the Company announced that an application submitted to the Bank Negara Malaysia (Controller of Foreign Exchange) ("Controller") in order to obtain the prior permission of the Controller for the issuance of Warrants to non-resident shareholders pursuant to the Proposed Rights Issue and consequential warrants to be issued to non-resident shareholders in respect of asiaEP's existing warrants 2006/2011 as a result of the Proposed Rights Issue. The Company had also, on even date, submitted an application to the Securities Commission for their approval of the Proposed Rights Issue.

On 25 June 2009, the Company announced that BNM had vide its letter dated 23 June 2009 taken note that our Company will issue up to 293,037,675 Warrants to, amongst others, the non-resident shareholders pursuant to the Rights Issue, the Company also announced that SC had vide its letter dated 24 June 2009 approved the Rights Issue.

On 9 July 2009, the Company announced that a listing application submitted to Bursa Securities in order to obtain their approval of the following:

(i) the additional listing of and quotation for up to 293,037,675 Rights Shares and up to 293,037,675 Bonus Shares on the MESDAQ Market;

(ii) the admission of up to 293,037,675 Warrants to the Official List of Bursa Securities and the listing of and quotation for such Warrants on the MESDAQ Market;

(iii) the additional listing of and quotation for up to 46,883,154 Additional Warrants 2006/2011 on the MESDAQ Market; and

(iv) the additional listing of and quotation for up to 293,037,675 new asiaEP Shares and up to 46,883,154 new asiaEP Shares to be issued upon the exercise of such Warrants and Additional Warrants 2006/2011 respectively, on the MESDAQ Market.

#### B9. BORROWING AND DEBT SECURITIES

The Company does not have any borrowings and debt securities as at 31 May 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.



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### 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.

### B12. EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31-05-2009</u>	Preceding Yr Corresponding Quarter <u>31-05-2008</u>	Current Year To Date <u>31-05-2009</u>	Preceding Yr Corresponding Yr To Date <u>31-05-2008</u>
(a) <b>Basic earnings per share</b>				
Net profit / (loss) for the period (RM'000)	<b>64</b>	53	<b>64</b>	53
<b>Weighted average number of ordinary shares for the purpose of basic earnings per share computation ('000)</b>	<b>232,911</b>	234,339	<b>232,911</b>	234,339
New shares issue pursuant to warrants	-	-	-	-
New shares issue pursuant to share options	-	-	-	-
Share buy back	-	(94)	-	(94)
	<b>232,911</b>	<b>234,245</b>	<b>232,911</b>	<b>234,245</b>
Basic earnings per share (sen)	<b>0.03</b>	0.02	<b>0.03</b>	0.02

#### (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 <u>31-05-2009</u>	Preceding Yr Corresponding Quarter <u>31-05-2008</u>	Current Year To Date <u>31-05-2009</u>	Preceding Yr Corresponding Yr To Date <u>31-05-2008</u>
Net profit for the period (RM'000)	<b>64</b>	53	<b>64</b>	53
<b>Weighted average number of ordinary shares for the purpose of basic earnings per share computation ('000)</b>	<b>232,911</b>	234,245	<b>232,911</b>	234,245
Add: Adjustment for share options ('000)	-	-	-	-
Adjustment for warrants	-	-	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)	<b>232,911</b>	<b>234,245</b>	<b>232,911</b>	<b>234,245</b>
Diluted earnings per share (sen)	<b>0.03</b>	0.02	<b>0.03</b>	0.02

### BY ORDER OF THE BOARD OF DIRECTORS OF ASIAEP

Lee Suet Hong

Director

Selangor

Dated: 22 July 2009