

**Quarterly report**

Quarterly report on results for the third quarter ended 30th November 2009.  
The figures have not been audited.

**CONDENSED CONSOLIDATED BALANCE SHEET**

	AS AT END OF CURRENT QUARTER <u>30.11.2009</u> RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>28.2.2009 (Audited)</u> RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	31,149	28,976
Prepaid land lease payment	570	475
Intangible Assets	33,984	32,723
	<u>65,703</u>	<u>62,174</u>
<b>Current Assets</b>		
Trade Receivables	691	1,644
Other Receivables, Deposits and Prepayments	1,409	117
Tax recoverable	5	5
Short term investment	6,010	-
Cash and Bank Balances	511	531
	<u>8,626</u>	<u>2,297</u>
<b>TOTAL ASSETS</b>	<u>74,328</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	72,911	24,532
Reserves		
Share Premium	-	20,661
Warrant Reserve	319	319
Translation Reserve	(727)	(704)
Retained Profits	1,626	17,537
Less: 3,423,300 treasury shares, at cost	(669)	(669)
	<u>73,460</u>	<u>61,676</u>
<b>Minority Interest</b>	-	-
<b>Total Equity</b>	<u>73,460</u>	<u>61,676</u>
<b>Non Current Liabilities</b>		
Hire Purchase Liabilities	-	226
Deferred Tax	240	239
	<u>240</u>	<u>465</u>
<b>Current Liabilities</b>		
Trade Payables	45	24
Other Payables and Accruals	584	673
Bank overdraft	-	1,504
Hire Purchase Liabilities	-	129
	<u>629</u>	<u>2,330</u>
<b>Total Liabilities</b>	<u>868</u>	<u>2,795</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>74,328</u>	<u>64,471</u>
<b>Net assets per share (RM)</b>	<b>0.1008</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 30-11-2009 RM '000	Preceding Yr Corresponding Quarter 30-11-2008 RM '000	Current Year To Date 30-11-2009 RM '000	Preceding Yr Corresponding Yr To Date 30-11-2008 RM '000
<b>Revenue</b>	<b>1,883</b>	303	<b>8,227</b>	5,342
Cost of services	(389)	(424)	(1,322)	(1,027)
<b>Gross profit</b>	<b>1,494</b>	(121)	<b>6,906</b>	4,315
Other income	27	-	54	8
Administration expenses	(1,358)	(1,013)	(2,711)	(2,574)
Depreciation and amortisation	(2,159)	(1,978)	(6,110)	(5,963)
Finance costs	(20)	(28)	(83)	(30)
<b>Loss before tax</b>	<b>(2,016)</b>	(3,140)	<b>(1,943)</b>	(4,244)
Taxation	(1)	(7)	(3)	(10)
Deferred tax	-	-	-	-
<b>Loss after tax</b>	<b>(2,017)</b>	(3,147)	<b>(1,946)</b>	(4,254)
Minority interests	-	-	-	-
<b>Net loss for the period</b>	<b>(2,017)</b>	(3,147)	<b>(1,946)</b>	(4,254)
Loss for the period attributable to:				
Equity holders of the parent	(2,017)	(3,147)	(1,946)	(4,254)
Minority Interest	-	-	-	-
	<b>(2,017)</b>	(3,147)	<b>(1,946)</b>	(4,254)
Loss per share (sen) :				
- basic	<b>(0.87)</b>	(1.35)	<b>(0.84)</b>	(1.82)
- diluted	<b>(0.87)</b>	(1.35)	<b>(0.84)</b>	(1.82)

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 30 NOVEMBER 2009

Group	Share <u>capital</u> RM'000	Share <u>premium</u> RM'000	Warrant <u>reserve</u> RM'000	Translation <u>reserve</u> RM'000	Retained <u>profits</u> RM'000	Treasury <u>shares</u> RM'000	Total <u>equity</u> RM'000
<b>9 months ended</b>							
<b>30 November 2009</b>							
As at 1 March 2009	24,532	20,661	319	(704)	17,537	(669)	61,676
Proposed two call rights and bonus issues	- 48,379	- (20,661)	-	-	- (13,965)	-	- 13,753
Exchange differences	-	-	-	(23)	-	-	(23)
Net loss for the period	-	-	-	-	(1,946)	-	(1,946)
As at 30 November 2009	<u>72,911</u>	<u>-</u>	<u>319</u>	<u>(727)</u>	<u>1,626</u>	<u>(669)</u>	<u>73,460</u>
<b>9 months ended</b>							
<b>30 November 2008</b>							
As at 1 March 2008	24,532	20,661	319	(209)	25,221	(324)	70,200
Purchase of treasury shares shares at cost	-	-	-	-	-	(345)	(345)
Exchange differences	-	-	-	(61)	-	-	(61)
Net loss for the period	-	-	-	-	(4,254)	-	(4,254)
As at 30 November 2008	<u>24,532</u>	<u>20,661</u>	<u>319</u>	<u>(270)</u>	<u>20,967</u>	<u>(669)</u>	<u>65,540</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.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD FROM 1 MARCH 2009 TO 30 NOVEMBER 2009**

	<b>1.03.2009 to 30.11.2009</b>	<b>1.03.2008 to 30.11.2008</b>
	RM '000	RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	(1,943)	(4,244)
Adjustments for non cash item	6,017	5,928
	<hr/>	<hr/>
Operating profit before working capital changes	4,074	1,684
Changes in working capital:		
Trade and other receivables	(339)	1,337
Trade and other payables	(68)	199
	<hr/>	<hr/>
Cash generated from operations	3,667	3,220
Development cost paid	(546)	(2,248)
Tax paid	(3)	(10)
	<hr/>	<hr/>
Net cash generated from operating activities	3,118	962
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	27	8
Proceeds from disposal of property, plant and equipment	30	-
Disposal of motor vehicles	187	-
Purchase of property, plant and equipment	(9,184)	(4,613)
	<hr/>	<hr/>
Net cash used in investing activities	(8,940)	(4,605)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(83)	(30)
Right issue expenses	(760)	-
Proceeds from right issues	14,514	-
Repayment of bank overdraft	(1,504)	-
Hire purchase liabilities	(355)	(33)
Payment for share buy back	-	(345)
	<hr/>	<hr/>
Net cash generated/(used in) from financing activities	11,812	(408)
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	5,990	(4,051)
	<hr/>	<hr/>
<b>Cash and cash equivalents at beginning of financial period</b>	531	3,363
<b>Cash and cash equivalents at end of financial period</b>	<u>6,521</u>	<u>(688)</u>
<b>Cash and cash equivalents comprise</b>		
Short term investment	6,010	-
Cash and bank balances	511	739
Bank overdraft	-	(1,427)
	<hr/>	<hr/>
	6,521	(688)
	<hr/>	<hr/>

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.



(Company No: 253387 - W)  
(Incorporated in Malaysia)

## 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 30 November 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 except as disclosed in B8.

### A11. CHANGES IN COMPOSITION OF THE GROUP

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

### 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.



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#### A13. CAPITAL COMMITMENTS

There were no capital commitments in the first quarter ended 30 November 2009.

#### ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

#### B1. REVIEW OF RESULTS FOR THE QUARTER ENDED 30 November 2009

The Group recorded a consolidated loss after taxation of approximately RM2.017 million with revenue of approximately RM1.883 million for the current quarter ended 30 November 2009, as compared with the corresponding period of the preceding year ended 30 November 2008 when the Group achieved a consolidated loss after taxation of approximately RM3.147 million and revenue of approximately RM0.303 million. The consolidated revenue for the current quarter ended 30 November 2009 increased by approximately 521.45% 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 RM1.883 million for the third quarter ended 30 November 2009, representing decrease of approximately 40.39% from the consolidated revenue recorded in the immediate preceding second quarter ended 31 August 2009 of approximately RM3.159 million. The Group's loss before tax of approximately RM2.016 million as compared to the profit before tax recorded in the previous quarter ended 31 August 2009 of approximately RM0.006 million.

The loss was mainly due to the non cash items such as amortisation of development charges and depreciation of the computer equipments.

#### B3. COMING YEAR PROSPECTS

With the successful implementation of Right Issues, the Group is better placed to strengthen its operational capacity. With the economic recovery in Malaysia and abroad, the Board hopes to achieve better result in the financial year ending 28 February 2010 although the prospects remain challenging.

#### 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.

#### B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

There are no other corporate proposals announced but not completed as at the date of this report.

#### B9. BORROWING AND DEBT SECURITIES

The Company does not have any borrowings and debt securities as at 30 November 2009.

#### 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. LOSS PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30-11-2009	Preceding Yr Corresponding Quarter 30-11-2008	Current Year To Date 30-11-2009	Preceding Yr Corresponding Yr To Date 30-11-2008
(a)	<b>Basic loss per share</b>				
	Net loss for the period (RM'000)	(2,017)	(3,147)	(1,946)	(4,254)
	<b>Weighted average number of ordinary shares for the purpose of basic loss per share computation ('000)</b>	<b>232,911</b>	234,399	<b>232,911</b>	234,399
	New shares issue pursuant to warrants	-	-	-	-
	New shares issue pursuant to share options	-	-	-	-
	Share buy back	-	(421)	-	(516)
		<b>232,911</b>	<b>233,978</b>	<b>232,911</b>	<b>233,883</b>
	Basic loss per share (sen)	<b>(0.87)</b>	(1.34)	<b>(0.84)</b>	(1.82)

#### (b) Diluted loss per share

For the purpose of calculating diluted loss 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 30-11-2009	Preceding Yr Corresponding Quarter 30-11-2008	Current Year To Date 30-11-2009	Preceding Yr Corresponding Yr To Date 30-11-2008
	Net loss for the period (RM'000)	(2,017)	(3,147)	(1,946)	(4,254)
	<b>Weighted average number of ordinary shares for the purpose of basic earnings per share computation ('000)</b>	<b>232,911</b>	233,978	<b>232,911</b>	233,883
Add:	Adjustment for share options ('000)	-	-	-	-
	Adjustment for warrants	-	-	-	-
	Weighted average number of ordinary shares for the purpose of diluted loss per share ('000)	<b>232,911</b>	<b>233,978</b>	<b>232,911</b>	<b>233,883</b>
	Diluted loss per share (sen)	<b>(0.87)</b>	(1.34)	<b>(0.84)</b>	(1.82)



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**B14. UTILISATION OF PROCEEDS**

As at 30 November 2009, the Company has utilised approximately 65.16% of the proceeds raised from its Right Issues in September 2009.

<u>Nature of expenses</u>	Proposed Amt	Actual Utilisation		Unused Amt.
	RM'000	RM	%	RM
i. Repayment of bank borrowings of asiaEP Group	2,000	1,932	96.60	68
ii. Purchase of computer equipments and peripherals	2,000	1,987	99.35	13
iii. Marketing and promotional activities	3,000	362	12.06	2,638
iv. Working capital requirements **	6,514	4,417	67.81	2,097
v. Defraying of expenses relating to the Right Issue	1,000	760	76.00	240
	<u>14,514</u>	<u>9,458</u>	65.16	<u>5,056</u>

\*\* The allocation to the working capital is based on the balancing amount after taking into consideration any repayment of bank borrowings and expenses related to the Right Issues. If there is any variation from the repayment of bank borrowings and the estimated expenses incidental to the Right Issues, the working capital will be adjusted accordingly.

**BY ORDER OF THE BOARD OF DIRECTORS OF ASIAEP**

Lee Suet Hong  
Director  
Selangor  
Dated: 22 January 2010