

Quarterly report

Quarterly report on results for the first quarter ended 31 May 2010
 The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER <u>31/05/2010</u> RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>28/02/2010 (Audited)</u> RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	31,044	32,397
Prepaid land lease payment	492	470
Intangible Assets	35,894	34,977
	67,430	67,844
Current Assets		
Trade Receivables	3,103	720
Other Receivables, Deposits and Prepayments	28	28
Tax recoverable	10	9
Short term investment	1,207	3,696
Cash and Bank Balances	1,288	547
	5,636	5,000
TOTAL ASSETS	73,067	72,844
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital		
Ordinary shares of RM0.10 each	72,911	72,911
Reserves		
Share Premium	-	-
Warrant Reserve	13,594	13,594
Translation Reserve	(725)	(717)
Retained Profits	(12,388)	(12,592)
Less: 3,423,300 treasury shares at cost	(669)	(669)
	72,722	72,527
Minority Interest	-	-
Total Equity	72,722	72,527
Non Current Liabilities		
Hire Purchase Liabilities	-	-
Deferred Taxation	-	-
	-	-
Current Liabilities		
Trade Payables	40	40
Other Payables and Accruals	305	277
Bank overdraft	-	-
Share Application Money	-	-
Hire Purchase Liabilities	-	-
Tax Payable	-	-
	345	317
Total Liabilities	345	317
TOTAL EQUITY AND LIABILITIES	73,067	72,844
Net assets per share (RM)	0.0997	0.0995

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 28 February 2010 and the accompanying explanatory notes attached to this report.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31/05/2010</u> RM '000	Preceding Yr Corresponding Quarter <u>31/05/2009</u> RM '000 <u>(Re-stated)</u>	Current Year To Date <u>31/05/2010</u> RM '000	Preceding Yr Corresponding Yr To Date <u>31/05/2009</u> RM '000 <u>(Re-stated)</u>
Revenue	3,586	3,183	3,586	3,183
Cost of services	(1,119)	(1,117)	(1,119)	(1,117)
Gross profit	2,466	2,066	2,466	2,066
Other income	12	27	12	27
Administration expenses	(993)	(780)	(993)	(780)
Depreciation and amortisation	(1,279)	(1,216)	(1,279)	(1,216)
Finance costs	0	(32)	0	(32)
Profit/(Loss) before tax	205	65	205	65
<u>Income Tax expense</u>				
Current Tax	(2)	(1)	(2)	(1)
Deferred tax	-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD	203	64	203	64
<u>Other Comprehensive Income/(Loss) :</u>				
Exchange differences on translating foreign operations	(8)	(39)	(8)	(39)
Income tax relating to components of other comprehensive income	-	-	-	-
Other comprehensive income/(loss) for the period, net of tax	(8)	(39)	(8)	(39)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	195	25	195	25
<u>Profit/(Loss) attributable to :</u>				
Owners of the parent	203	64	203	64
Minority Interest	-	-	-	-
	203	64	203	64
<u>Total comprehensive income/ (loss) attributable to :</u>				
Owners of the parent	195	25	195	25
Minority Interest	-	-	-	-
	195	25	195	25
<u>Earnings/(Loss) per share attributable to Owners of the Parent (sen)</u>				
- basic	0.03	0.02	0.03	0.02
- diluted	0.03	0.02	0.03	0.02

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 28 February 2010 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 2010

Group	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Retained profits RM'000	Translation reserve RM'000	Other reserve RM'000	Treasury shares RM'000	Total equity RM'000
3 months ended 31 May 2010								
As at 1 March 2010	72,911	-	13,594	(12,592)	(717)	-	(669)	72,527
Total comprehensive income for the period	-	-	-	203	(8)	-	-	195
As at 31 May 2010	<u>72,911</u>	<u>-</u>	<u>13,594</u>	<u>(12,388)</u>	<u>(725)</u>	<u>-</u>	<u>(669)</u>	<u>72,722</u>
3 months ended 31 May 2009								
As at 1 March 2009	24,532	20,661	319	17,537	(704)	-	(669)	61,676
Issuance of ordinary shares	-	(81)	-	-	-	-	-	(81)
Total comprehensive income for the period	-	-	-	64	(39)	-	-	25
As at 31 May 2009	<u>24,532</u>	<u>20,580</u>	<u>319</u>	<u>17,601</u>	<u>(743)</u>	<u>-</u>	<u>(669)</u>	<u>61,620</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 2010 and the accompanying explanatory notes attached to this report.

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE PERIOD FROM 01 MARCH 2010 TO 31 MAY 2010**

	01/03/2010 to 31/05/2010	01/03/2009 to 31/05/2009
	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	205	65
Adjustments for non cash item	2,037	1,916
	2,242	1,981
Operating profit before working capital changes		
Changes in working capital:		
Trade and other receivables	(2,384)	(1,184)
Trade and other payables	28	702
Cash generated from operations	(114)	1,499
Development cost paid	(189)	(158)
Tax paid	(3)	(1)
Net cash generated from operating activities	(305)	1,340
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	11	1
Proceeds from disposal of property, plant and equipment	-	28
Purchase of property, plant and equipment	(1,449)	(990)
Net cash used in investing activities	(1,438)	(960)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	(32)
Right issue expenses	-	(81)
Repayment of bank overdraft	-	(3)
Hire purchase liabilities	-	113
Net cash generated/(used in) from financing activities	-	(3)
Net increase/(decrease) in cash and cash equivalents	(1,744)	376
Effect on Exchange Rate Changes on Opening Cash	(4)	-
Cash and cash equivalents at beginning of financial period	4,243	531
Cash and cash equivalents at end of financial period	2,495	907
Cash and cash equivalents comprise		
Short term investment	1,207	-
Cash and bank balances	1,288	907
Bank overdraft	-	-
	2,495	907

The Condensed Consolidated Statement of Cashflows should be read in conjunction with the audited financial statements for the financial year ended 28 February 2010 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 ACE Market. The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 28 February 2010.

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 2010.

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 2010.

A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the FYE 28 February 2010 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 2010.

A7. DIVIDENDS

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

A8. SEGMENTAL REPORTING

Segment reporting is presented in respect of the Group's business and geographical segments. The primary format, geographical segments by location of customer, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

Business Segments

No business segmental reporting is prepared as the Group's activities are predominantly in one industry.

Geographical Segments

	Malaysia RM'000	Hong Kong RM'000	Total RM'000
<u>For the year to date ended 31/05/2010</u>			
Revenue	3,573	13	3,586
Total assets	72,812	245	73,057
Total liabilities	341	4	345
Capital Expenditure	3,422	-	3,422
Depreciation	923	6	929

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

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

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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.

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 2010.

A13. CAPITAL COMMITMENTS

There were no capital commitments in the first quarter ended 31 May 2010.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. REVIEW OF RESULTS FOR THE QUARTER ENDED 31 MAY 2010

The Group recorded a consolidated profit after taxation of approximately RM0.203 million with revenue of approximately RM3.586 million for the current quarter ended 31 May 2010, as compared with the corresponding period of the preceding year ended 31 May 2009 when the Group achieved a consolidated profit after taxation of approximately RM0.065 million and revenue of approximately RM3.183 million. The consolidated revenue for the current quarter ended 31 May 2010 increased by approximately 12.64% 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 RM3.586 million for the first quarter ended 31 May 2010, representing increase of approximately 119.64% from the consolidated revenue recorded in the immediate preceding fourth quarter ended 28 February 2010 of approximately RM1.633 million. The Group registered profit before tax of approximately RM0.205 million as compared to the loss before tax recorded in the previous quarter ended 28 February 2010 of approximately RM1.719 million.

B3. COMING YEAR PROSPECTS

The prospect of the Group for achieving a sustainable level of financial performance towards the rest of the current financial year remains to be challenging due to the current volatility condition of the world and local economies.

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 31 May 2010.

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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 countered 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 / (LOSS) PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31/05/2010	Preceding Yr Corresponding Quarter 31/05/2009	Current Year To Date 31/05/2010	Preceding Yr Corresponding Yr To Date 31/05/2009
(a) Basic earnings/(loss) per share					
Profit / (Loss) attributable to the owners of the parent	(RM'000)	203	64	203	64
Weighted average number of ordinary shares for the purpose of basic loss per share computation ('000)		593,140	232,911	593,140	232,911
New shares issue pursuant to warrants		-	-	-	-
New shares issue pursuant to share options		-	-	-	-
Share buy back		-	-	-	-
		593,140	232,911	593,140	232,911
Basic earnings/(loss) per share	(sen)	0.03	0.02	0.03	0.02

(b) Diluted earnings/(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 31/05/2010	Preceding Yr Corresponding Quarter 31/05/2009	Current Year To Date 31/05/2010	Preceding Yr Corresponding Yr To Date 31/05/2009
Profit / (Loss) attributable to the owners of the parent	(RM'000)	203	64	203	64
Weighted average number of ordinary shares for the purpose of basic earnings per share computation ('000)		593,140	232,911	593,140	232,911
Add: Adjustment for share options	('000)	-	-	-	-
Adjustment for warrants		-	-	-	-
Weighted average number of ordinary shares for the purpose of diluted loss per share	('000)	593,140	232,911	593,140	232,911
Diluted earnings/(loss) per share	(sen)	0.03	0.02	0.03	0.02

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B14. UTILISATION OF PROCEEDS

As at 31 May 2010 the Company has utilised approximately 82.81% 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'000	%	RM'000
i. Repayment of bank borrowings of asiaEP Group	2,000	1,932	96.60	68
ii. Purchase of computer equipments and peripherals	2,000	2,000	100.00	-
iii. Marketing and promotional activities	3,000	814	27.12	2,186
iv. Working capital requirements **	6,514	6,514	100.00	0
v. Defraying of expenses relating to the Right Issue	1,000	760	76.00	240
	14,514	12,020	82.81	2,494

** 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 (Ms)
Director
Selangor
Dated: 20-Jul-2010