

Quarterly report

Quarterly report on results for the fourth quarter ended 28 February 2011
 The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER <u>28/02/2011</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	28,433	32,397
Prepaid land lease payment	488	470
Intangible Assets	10,468	34,977
	39,389	67,844
Current Assets		
Trade Receivables	440	720
Other Receivables, Deposits and Prepayments	28	28
Tax recoverable	13	9
Short term investment	-	3,696
Cash and Bank Balances	548	547
	1,029	5,000
TOTAL ASSETS	40,419	72,844
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital		
Ordinary shares of RM0.10 each	73,411	72,911
Reserves		
Share Premium	-	-
Warrant Reserve	13,594	13,594
Translation Reserve	(737)	(717)
Retained Profits	(45,669)	(12,592)
Less: 3,423,300 treasury shares at cost	(669)	(669)
	39,929	72,527
Minority Interest	-	-
Total Equity	39,929	72,527
Non Current Liabilities		
Hire Purchase Liabilities	-	-
Deferred Taxation	-	-
	-	-
Current Liabilities		
Trade Payables	60	40
Other Payables and Accruals	430	277
Bank overdraft	-	-
Share Application Money	-	-
Hire Purchase Liabilities	-	-
Tax Payable	-	-
	489	317
Total Liabilities	489	317
TOTAL EQUITY AND LIABILITIES	40,419	72,844
Net assets per share (RM)	0.0544	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>28/02/2011</u> RM '000	Preceding Yr Corresponding Quarter <u>28/02/2010</u> RM '000 <u>(Re-stated)</u>	Current Year To Date <u>28/02/2011</u> RM '000	Preceding Yr Corresponding Yr To Date <u>28/02/2010</u> RM '000 <u>(Re-stated)</u>
Revenue	234	1,633	8,274	9,860
Cost of services	(886)	(1,307)	(4,311)	(4,661)
Gross profit/(loss)	(651)	326	3,963	5,199
Other income	0	236	18	289
Administration expenses	(28,867)	(839)	(31,394)	(3,547)
Depreciation and amortisation	(1,738)	(905)	(5,666)	(4,985)
Finance costs	0	-	0	(83)
Profit/(Loss) before tax	(31,256)	(1,182)	(33,078)	(3,127)
<u>Income Tax expense</u>				
Current Tax	-	1	-	(2)
Deferred tax	-	239	-	239
PROFIT/(LOSS) FOR THE PERIOD	(31,256)	(942)	(33,078)	(2,890)
<u>Other Comprehensive Income/(Loss) :</u>				
Exchange differences on translating foreign operations	(16)	36	(20)	13
Income tax relating to components of other comprehensive income	-	-	-	-
Other comprehensive income/(loss) for the period, net of tax	(16)	36	(20)	13
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	(31,272)	(906)	(33,098)	(2,877)
<u>Profit/(Loss) attributable to :</u>				
Owners of the parent	(31,256)	(942)	(33,078)	(2,890)
Minority Interest	-	-	-	-
	(31,256)	(942)	(33,078)	(2,890)
<u>Total comprehensive income/ (loss) attributable to :</u>				
Owners of the parent	(31,272)	(906)	(33,098)	(2,877)
Minority Interest	-	-	-	-
	(31,272)	(906)	(33,098)	(2,877)
<u>Earnings/(Loss) per share attributable to Owners of the Parent (sen)</u>				
- basic	(4.31)	(0.31)	(4.56)	(0.61)
- diluted	(4.31)	(0.31)	(4.56)	(0.61)

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 28 FEBRUARY 2011**

Group	<u>Share capital</u> RM'000	<u>Share premium</u> RM'000	<u>Warrant reserve</u> RM'000	<u>Retained profits</u> RM'000	<u>Translation reserve</u> RM'000	<u>Other reserve</u> RM'000	<u>Treasury shares</u> RM'000	<u>Total equity</u> RM'000
<u>12 months ended</u>								
<u>28 February 2011</u>								
As at 1 March 2010	72,911	-	13,594	(12,592)	(717)	-	(669)	72,527
Issue of ordinary shares	500	-	-	-	-	-	-	500
Total comprehensive income for the period	-	-	-	(33,078)	(20)	-	-	(33,098)
As at 28 February 2011	<u>73,411</u>	<u>-</u>	<u>13,594</u>	<u>(45,669)</u>	<u>(737)</u>	<u>-</u>	<u>(669)</u>	<u>39,929</u>
<u>12 months ended</u>								
<u>28 February 2010</u>								
As at 1 March 2009	24,532	20,661	319	17,537	(704)	-	(669)	61,676
Issuance of ordinary shares	48,379	(20,661)	13,275	(27,239)	-	-	-	13,754
Total comprehensive income for the period	-	-	-	(2,890)	(13)	-	-	(2,903)
As at 28 February 2010	<u>72,911</u>	<u>-</u>	<u>13,594</u>	<u>(12,592)</u>	<u>(717)</u>	<u>-</u>	<u>(669)</u>	<u>72,527</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 28 FEBRUARY 2011**

	01/03/2010 to 28/02/2011	01/03/2009 to 28/02/2010
	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(33,078)	(3,127)
Adjustments for non cash item	36,764	7,774
Operating profit before working capital changes	3,686	4,647
Changes in working capital:		
Trade and other receivables	356	1,227
Trade and other payables	173	(380)
Cash generated from operations	4,215	5,494
Development cost paid	(663)	(640)
Tax paid	(4)	(6)
Net cash generated from operating activities	3,548	4,848
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	18	46
Proceeds from disposal of property, plant and equipment	-	30
Purchase of property, plant and equipment	(7,740)	(13,021)
Net cash used in investing activities	(7,722)	(12,945)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	(83)
Right issue expenses	-	(760)
Proceeds from private placement	500	
Proceeds from right issues		14,514
Repayment of bank overdraft	-	(1,504)
Repayment of hire purchase liabilities	-	(355)
Net cash generated/(used in) from financing activities	500	11,812
Net increase/(decrease) in cash and cash equivalents	(3,674)	3,715
Effect on Exchange Rate Changes on Opening Cash	(20)	(3)
Cash and cash equivalents at beginning of financial period	4,243	531
Cash and cash equivalents at end of financial period	548	4,243
Cash and cash equivalents comprise		
Short term investment	-	3,696
Cash and bank balances	548	547
Bank overdraft	-	-
	548	4,243

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, except for the adoption of new and revised FRS which are effective for the financial period beginning on or after 1 January 2010.

FRS 101: Presentation of Financial Statements

FRS 8 : Operating Segments

FRS 101: Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The gains/(losses) that were recognised directly in equity in the preceding year/corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income is presented separately in the statement of comprehensive income and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests.

The total comprehensive income is presented as a one-line item in the statement of changes in equity and the comparative information has been re-presented in order to conform with the revised standard. This standard only affects the presentation aspects and will not have any impact on the earnings per share.

FRS 8 : Operating Segments

Prior to the adoption of FRS 8, the Company's segment reporting was based on primary reporting format of two segments which are "business" and "geographical". FRS 8 requires operating segments to be identified on the basis of internal segment information that are regularly provided to and reviewed by the management. The adoption of FRS 8 has not resulted in a redesignation of the Company's reportable segments as compared to previous years.

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, in view of the volatility of world economic conditions affecting local markets, the Management decided to adopt a prudent stance by providing an impairment on the intangible assets of approximately RM28.268 million resulting in the Group registering a consolidated loss for the current quarter of the financial year ended 28 February 2011 amounting to approximately RM31.256 million.

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

On 11 February 2011, there was an issuance of 5,000,000 new ordinary shares of RM0.10 each through Private Placement. These shares were listed on Bursa Securities on 16 February 2011.

On 4 March 2011, there was an issuance of 3,000,000 new ordinary shares of RM0.10 each through Private Placement. These shares were listed on Bursa Securities on 9 March 2011.

On 25 April 2011, there was an issuance of 3,000,000 new ordinary shares of RM0.10 each through Private Placement. These shares were listed on Bursa Securities on 28 April 2011.

A7. DIVIDENDS

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



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A8. SEGMENTAL REPORTING

Segmental 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.

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

Segmental capital expenditure during the year consists of acquisition of property, plant and equipment, and capitalisation of research and development expenditures.

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
For the year ended 28/02/2011			
Revenue from external customers	8,238	37	8,274
Segment assets	40,375	31	40,405
Segment liabilities	484	6	489
Capital Expenditure	18,169	264	18,433
Depreciation	3,837	22	3,858
Amortisation	33,015	-	33,015
Interest Income	18	-	18
Interest Expenses	0	-	0
Profit/(loss) before taxation	(33,074)	(4)	(33,078)
Taxation	-	-	-
Profit/(loss) after taxation	(33,074)	(4)	(33,078)

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.

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 fourth quarter ended 28 February 2011.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. REVIEW OF RESULTS FOR THE QUARTER ENDED 28 FEBRUARY 2011

In response to the current volatility of the world economic conditions affecting the local market as a whole, the Management decided to adopt a prudent stance by providing an impairment on the intangible assets amounting to RM28.268 million during the current quarter ended 28 February 2011. This has resulted in the Group recording a consolidated loss of approximately RM31.256 million for the current quarter ended 28 February 2011 (before taking into account the aforementioned impairment, it would have registered a consolidated loss of only RM2.988 million), compared to the corresponding quarter of the preceding year ended 28 February 2010 when the Group registered a consolidated loss after taxation of approximately RM0.942 million. In view of the aforementioned market condition, the Group revenue generated was approximately RM0.234 million for the current quarter ended 28 February 2011 compared with approximately RM1.633 million as posted in the preceding year corresponding quarter.

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

The consolidated revenue of the Group dropped to approximately RM0.234 million for the fourth quarter ended 28 February 2011, compared to the consolidated revenue as recorded in the immediate preceding third quarter ended 30 November 2010 of approximately RM1.192 million. Following from the intangible assets impairment as mentioned above, the Group thus registered loss before tax of approximately RM31.256 million for the current quarter ended 28 February 2011 (RM2.988 million before the aforementioned impairment) as compared to the loss before tax recorded in the previous quarter ended 30 November 2010 of approximately RM2.032 million.



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B3. COMING YEAR PROSPECTS

The financial performance of the Group towards the financial year ended 29 February 2012 will continue to be challenging while we are venturing into other prospective avenues of growth.

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

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

Proposed Private Placement

On 27 January 2011, the Company announced that it proposed to undertake a private placement exercise of up to 72,568,496 ordinary shares at par value RM0.10 each in asiaEP ("asiaEP Shares") representing up to 10% of the issued and paid-up share capital (excluding treasury shares) of asiaEP.

On 10 February 2011, the Company announced that Bursa Malaysia had, vide its letter dated 9 February 2011, given its approval-in-principle for the listing and quotation.

On 10 February 2011, the Company announced that the issue price for the first tranche placement of 5,000,000 new ordinary shares of RM0.10 each ("Placement Shares") at RM0.10 per Placement Share.

On 3 March 2011, the Company announced that the issue price for the second tranche placement of 3,000,000 new ordinary shares of RM0.10 each ("Placement Shares") at RM0.10 per Placement Share.

On 22 April 2011, the Company announced that the issue price for the third tranche placement of 3,000,000 new ordinary shares of RM0.10 each ("Placement Shares") at RM0.10 per Placement Share.

As at the date of this report, the Company had placed out 11,000,000 placement shares out of 72,568,496 proposed number as mentioned above.

The following are the allotment details of the shares concerned :

	<u>Allotment Date</u>	<u>Granted Listing / Quotation Date</u>
1st tranche - 5,000,000 shares	11/02/2011	16/02/2011
2nd tranche - 3,000,000 shares	04/03/2011	09/03/2011
3rd tranche - 3,000,000 shares	25/04/2011	28/04/2011

B9. BORROWING AND DEBT SECURITIES

The Company does not have any borrowings and debt securities as at 28 February 2011.

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 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 <u>28/02/2011</u>	Preceding Yr Corresponding Quarter <u>28/02/2010</u>	Current Year To Date <u>28/02/2011</u>	Preceding Yr Corresponding Yr To Date <u>28/02/2010</u>
(a) Basic earnings/(loss) per share					
Profit / (Loss) attributable to the owners of the parent	(RM'000)	(31,256)	(942)	(33,078)	(2,890)
Weighted average number of ordinary shares for the purpose of basic loss per share computation ('000)		725,932	471,198	725,932	471,198
New shares issue pursuant to warrants		-	-	-	-
New shares issue pursuant to share options		-	-	-	-
Share buy back		-	-	-	-
		<u>725,932</u>	<u>471,198</u>	<u>725,932</u>	<u>471,198</u>
Basic earnings/(loss) per share	(sen)	(4.31)	(0.31)	(4.56)	(0.61)

(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 <u>28/02/2011</u>	Preceding Yr Corresponding Quarter <u>28/02/2010</u>	Current Year To Date <u>28/02/2011</u>	Preceding Yr Corresponding Yr To Date <u>28/02/2010</u>
Profit / (Loss) attributable to the owners of the parent	(RM'000)	(31,256)	(942)	(33,078)	(2,890)
Weighted average number of ordinary shares for the purpose of basic earnings per share computation ('000)		725,932	471,198	725,932	471,198
Add: Adjustment for share options	('000)	-	-	-	-
Adjustment for warrants		-	-	-	-
Weighted average number of ordinary shares for the purpose of diluted loss per share	('000)	<u>725,932</u>	<u>471,198</u>	<u>725,932</u>	<u>471,198</u>
Diluted earnings/(loss) per share	(sen)	(4.31)	(0.31)	(4.56)	(0.61)

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B13. UTILISATION OF PROCEEDS FROM THE PRIVATE PLACEMENT

As at 29 April 2011, the Company has utilised approximately 64.07% of the proceeds raised from the private placement :

Purpose	Amount Allocated (RM'000)	Amount Utilised (RM'000)	Balance (RM'000)
Working Capital	1,030.0	659.9	370.1
Defrayment Cost of Private Placement	70.0	57.4	12.6
	<u>1,100.0</u>	<u>717.3</u>	<u>382.7</u>

B14. DISCLOSURE OF REALISED AND UNREALISED PROFITS AND LOSSES

	As at end of current quarter 28/02/2011 (RM'000)	As at end of preceding quarter 30/11/2010 (RM'000)
Total Retained Earnings / (Accumulated Losses) of the Group		
- Realised	(98,659)	(14,945)
- Unrealised	-	-
	<u>(98,659)</u>	<u>(14,945)</u>
Consolidated Adjustments :	52,990	532
Total Group Retained Earnings / (Accumulated Losses) as per consolidated accounts	(45,669)	(14,413)

BY ORDER OF THE BOARD OF DIRECTORS OF ASIAEP

Lee Suet Hong (Ms)

Director

Selangor

Dated: 29-Apr-2011