

ASDION BERHAD
(Company No. 590812-D)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2007
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.06.2007 RM	Preceding Year Corresponding Quarter 30.06.2006 RM	Current Period To Date 30.06.2007 RM	Preceding Year Corresponding Period 30.06.2006 RM
Revenue	3,096,937	3,952,863	5,340,301	6,519,199
Cost of sales	(1,304,443)	(2,214,494)	(1,900,914)	(3,301,279)
Gross profit	<u>1,792,494</u>	<u>1,738,369</u>	<u>3,439,387</u>	<u>3,217,920</u>
Other operating income	23,157	30,143	59,418	35,227
Operating expenses	(1,584,104)	(1,602,336)	(3,126,656)	(2,971,493)
Finance cost	(136,419)	(86,042)	(260,428)	(137,606)
Share of profit/(loss) of associates	(53,679)	-	(58,629)	-
Profit before tax	<u>41,449</u>	<u>80,134</u>	<u>53,092</u>	<u>144,048</u>
Taxation	(384)	(3,038)	(6,259)	(8,499)
Profit for the period	<u><u>41,065</u></u>	<u><u>77,096</u></u>	<u><u>46,833</u></u>	<u><u>135,549</u></u>
Attributable to:				
Equity holders of the company	144,348	150,050	211,190	240,724
Minority interest	(103,283)	(72,954)	(164,357)	(105,175)
	<u><u>41,065</u></u>	<u><u>77,096</u></u>	<u><u>46,833</u></u>	<u><u>135,549</u></u>
Basic EPS (sen)	0.33	0.38	0.48	0.60
Diluted EPS (sen)	N/A	N/A	N/A	N/A

Note:

The unaudited condensed consolidated income statement should be read together with the audited consolidated financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial report.

ASDION BERHAD
(Company No. 590812-D)

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2007

(The figures have not been audited)

	Unaudited	Audited
	As at	As at
	30.06.2007	31.12.2006
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	9,623,675	7,262,555
Investment Property	844,989	854,222
Software development costs	1,185,584	966,004
Deferred tax assets	20,265	20,265
Goodwill on consolidation	43,131	42,918
Investments in associate	43,835	-
	<u>11,761,479</u>	<u>9,145,964</u>
Current assets		
Inventories	1,757,261	1,576,728
Trade receivables	7,227,709	7,158,415
Other receivables, deposits and prepayments	1,628,460	2,126,495
Taxation recoverable	14,132	14,132
Short term deposits with financial institutions	509,675	494,528
Cash and bank balances	470,387	2,902,788
	<u>11,607,624</u>	<u>14,273,086</u>
TOTAL ASSETS	<u><u>23,369,103</u></u>	<u><u>23,419,050</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	4,400,000	4,400,000
Share premium	5,458,867	5,458,867
Exchange fluctuation reserve	105,064	(20,509)
Retained profits	2,484,292	2,273,101
	<u>12,448,223</u>	<u>12,111,459</u>
Minority interest	183,035	341,564
Total equity	<u>12,631,258</u>	<u>12,453,023</u>
Non-current liabilities		
Bank term loan	3,500,047	3,500,047
Hire purchase and finance lease	2,407,212	840,340
Deferred tax liabilities	49,831	49,831
	<u>5,957,090</u>	<u>4,390,218</u>
Current liabilities		
Trade payables	1,482,197	1,682,747
Other payables and accruals	912,257	742,063
Current portion of term loan	358,973	1,677,950
Hire purchase and finance lease	1,324,526	1,755,576
Bank overdraft	665,744	671,662
Tax Payable	37,058	45,811
	<u>4,780,755</u>	<u>6,575,809</u>
TOTAL EQUITY AND LIABILITIES	<u><u>23,369,103</u></u>	<u><u>23,419,050</u></u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	28.29	27.53

The unaudited condensed consolidated balance sheets should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to this interim financial report.

ASDION BERHAD
(Company No. 590812-D)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2007

(The figures have not been audited)

	<----- Attributable to equity holders of the parent ----->				Distributable Retained profits RM	Total RM	Minority Interest RM	Total Equity RM
	Share capital RM	Share premium RM	Reserve on consolidation	Others reserve RM				
Balance as at 1 January 2007	4,400,000	5,458,867	-	(20,509)	2,273,101	12,111,459	341,564	12,453,023
Arising from translation of foreign currency financial statements	-	-	-	125,573	-	125,573	5,829	131,402
Net profit for the period	-	-	-	-	211,190	211,190	(164,357)	46,833
Balance as at 30 June 2007	<u>4,400,000</u>	<u>5,458,867</u>	<u>-</u>	<u>105,064</u>	<u>2,484,291</u>	<u>12,448,222</u>	<u>183,036</u>	<u>12,631,258</u>
Balance as at 1 January 2006	4,000,000	3,539,386	1,155,602	(241,342)	676,560	9,130,206	228,286	9,358,492
Effect of adopting FRS3	-	-	(1,155,602)	-	1,155,602	-	-	-
Arising from translation of foreign currency financial statements	-	-	-	30,005	-	30,005	22,883	52,888
Arising on acquisition of subsidiary	-	-	-	-	-	-	36,391	36,391
Issue of ordinary shares to minority	-	-	-	-	-	-	346,485	346,485
Net profit for the period	-	-	-	-	240,724	240,724	(105,175)	135,549
Balance as at 30 June 2006	<u>4,000,000</u>	<u>3,539,386</u>	<u>-</u>	<u>(211,337)</u>	<u>2,072,886</u>	<u>9,400,935</u>	<u>528,870</u>	<u>9,929,805</u>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to this interim financial report.

ASDION BERHAD
(Company No. 590812-D)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2007
(The figures have not been audited)

	QUARTER ENDED 30.06.07 RM	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.06.06 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	53,092	144,048
Adjustment for:		
Depreciation	368,586	304,201
Amortisation of Research & Development costs	112,698	46,362
Effect of currency translation	137,107	(85,724)
Interest expense	260,428	137,606
Interest income	(22,764)	(29,166)
Operating profit before working capital changes	<u>909,147</u>	<u>517,327</u>
Changes in working capital:		
Inventories	(180,533)	(2,337,489)
Receivables	428,741	(2,172,084)
Payables	(30,356)	159,970
Cash used in operations	<u>1,126,999</u>	<u>(3,832,276)</u>
Tax paid	(15,012)	(103,999)
Interest paid	(260,428)	(137,606)
NET CASH USED IN OPERATING ACTIVITIES	<u>851,559</u>	<u>(4,073,881)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,720,473)	(1,636,398)
Research & development costs	(332,278)	(258,320)
Proceeds from issue of shares by a subsidiary to minority interest	-	437,341
Investment in associate	(43,835)	-
Interest received	22,764	29,166
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,073,822)</u>	<u>(1,428,211)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of borrowings	(189,073)	3,617,814
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>(189,073)</u>	<u>3,617,814</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,411,336)	(1,884,278)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>2,725,654</u>	<u>2,762,042</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE 2007	<u>314,318</u>	<u>877,764</u>
Cash and cash equivalents as at 30 June 2007		
comprises the following:		
Cash and bank balances	470,387	1,011,198
Short term deposits with financial institutions	509,675	545,233
Bank overdraft	(665,744)	(678,667)
	<u>314,318</u>	<u>877,764</u>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to this interim financial report.

ASDION BERHAD (Company No: 590812-D) (“AB” or “Company”)

NOTES TO INTERIM FINANCIAL REPORT

PART A – Explanatory Notes Pursuant to Financial Reporting Standard 134 (“FRS 134”)

1. Basis of preparation

The interim financial report is unaudited and is prepared in accordance with FRS 134 “Interim Financial Reporting” issued by the Malaysia Accounting Standard Board and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the MESDAQ Market and should be read in conjunction with AB and its subsidiary companies’ (“Group”) audited consolidated financial statements for the financial year ended 31 December 2006. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2006.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual audited consolidated financial statements for the financial year ended 31 December 2006.

2. Auditors’ Report

The preceding annual audited consolidated financial statements for the financial year ended 31 December 2006 were not subjected to any qualification.

3. Seasonal or Cyclical Factors

The operations of the Group have not been affected materially by any seasonal/cyclical factors during the current quarter under review.

4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

5. Issuances and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

6. Dividends Paid

There were no dividends paid and proposed during the current quarter under review.

7. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss.

The Group did not carry out any valuation on the property, plant and equipment during the current quarter under review.

8. Segmental Information

The segmental analysis of the revenue and profit for the current quarter ended 30 June 2007 are tabulated below:

Geographical segments	Malaysia	Singapore	China	Brunei	Thailand	Total
	RM	RM	RM	RM	RM	RM
Revenue	1,902,311	1,101,423	41,108	52,079	16	3,096,937
Profit/(Loss) Before Taxation	320,442	52,029	(255,044)	(2,629)	(73,349)	41,449

9. Material Events Subsequent To The End of The Interim Period

Save as disclosed below, there were no material events subsequent to the end of the current quarter under review:

- (a) On 3 July 2007, AB announced that the Company had on 29 June 2007 notified Bursa Malaysia Securities Berhad ("Bursa Securities") that pursuant to Paragraph 8.15(1) of the Listing Requirements of Bursa Securities for the MESDAQ Market ("MMLR"), the number of public shareholders of AB holding not less than 100 shares each in Asdion was below the minimum number of 1,000 public shareholders. However, the Company has complied with the minimum public spread of 25%.

The number of public shareholders of AB based on the Record of Depositors as at 28 June 2007 was 984 and the public shareholding spread was 41.65%.

Pursuant to Paragraph 8.15(3) of the MMLR, AB had, on even date, applied to Bursa Securities for an extension of time of one (1) month from 2 July 2007 to 1 August 2007 to rectify its public shareholding spread requirement.

- (b) On 10 July 2007, AB announced that subsequent to 28 June 2007, the number of public shareholders holding not less than 100 shares each in Asdion has increased to 1,014 with a public shareholding spread of 41.65% based on the Record of Depositors of the Company as at 6 July 2007.

In view of the above, Asdion has withdrawn its application letter dated 29 June 2007 in respect of the extension of time to comply with the public shareholding spread pursuant to Rule 8.15(3) of the MMLR.

10. Material Changes in Estimates

There were no materials changes in the nature and amount of estimates reported in the prior financial period that will have a material effect in the current quarter under review.

11. Changes in the Composition of the Group

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

12. Contingent Assets or Liabilities

There were no material contingent assets or liabilities during the current quarter under review.

13. Capital Commitments

The Group has no material capital commitments during the current quarter under review.

14. Related Party Transaction

The Group has not entered into any related party transaction during the current quarter under review.

PART B - Explanatory Notes Pursuant to Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the MESDAQ Market

15. Review of Performance

For the second quarter ended 30 June 2007, the Group recorded a revenue of approximately RM3.10 million, representing a decrease of approximately 21.65% as compared to the revenue of approximately RM3.95 million achieved in the preceding year's corresponding quarter. The lower revenue was due to the lower sales generated in the information and communications technology ("ICT") infrastructure equipment segment.

The Group recorded a lower profit before taxation ("PBT") of RM41,449 compared to RM80,134 in the preceding year corresponding quarter. The decrease of the PBT was attributed to higher finance cost and share of loss of overseas associated company.

For the six (6) months period ended 30 June 2007, the Group recorded a revenue of approximately RM5.34 million, representing a decrease of approximately 18.08% as compared to the revenue of approximately RM6.52 million achieved in the preceding year corresponding period. This was mainly due to the decrease sales of ICT infrastructure equipment.

The Group recorded a lower PBT of RM53,092 compared to RM144,048 registered in the preceding year corresponding period ended 30 June 2006. The decrease was largely attributed to the following:

- (a) Higher finance cost incurred due to the acquisition of fixed assets such as properties and machinery;
- (b) Share of loss of overseas associated company;
- (c) Loss of overseas subsidiary companies.

All in all, the profit after taxation and minority interests of the Group was RM211,190 as compared to RM240,724 registered in the preceding year corresponding period.

16. Material Changes in the Quarterly Results Compared to the Results of the Immediate Preceding Quarter

For the current quarter ended 30 June 2007, the Group recorded a revenue of approximately RM3.10 million, representing an improvement of approximately 38.07% as compared to the revenue of approximately RM2.24 million achieved in the immediate preceding quarter ended 31 March 2007. The increase in revenue was largely contributed by the increase of the sales of systems integration services and sales of consultation services on ICT based project.

In line with the increase in revenue, the Group recorded a higher PBT of RM41,449 compared to RM11,643 registered in the immediate preceding quarter even though the overseas associated company recorded a higher losses. As a result of the higher revenue, the Group registered a profit after taxation and minority interests of RM144,348 as compared to RM66,842 achieved in the immediate preceding quarter ended 31 March 2007.

17. Prospects for the Current Financial Year

The Group will also continue its effort to improve the prospects of the Group's ICT division by focusing on the development, marketing and distribution of its advanced integrated solutions. With existing presence in Brunei, China, Singapore and Thailand, the Group intends to strengthen its position as a regional leading solution provider.

In addition, the Group will continue to seek new ventures and opportunities in related areas to expand its business as well as diversify its customer base. In this regard, the Group intends to focus and expand its market share in the service industry for both the domestic and overseas market especially in the hospitality sector by offering an array of the Group's integrated solutions.

Barring any unforeseen circumstances, the Group anticipates that the financial performance for the coming quarter will be improved.

18. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast nor profit guarantee during the current financial period to date.

19. Taxation

Taxation comprises:

	Individual Quarter		Cumulative Quarters	
	Current Quarter 30.06.2007	Preceding Year Corresponding Quarter 30.06.2006	Current Period To Date 30.06.2007	Preceding Year Corresponding Period 30.06.2006
	RM	RM	RM	RM
Current taxation	384	3,038	6,259	8,499

The effective tax rate of the Group for the financial year ended ("FYE") 2007 is higher than the statutory tax rate as most of the taxation charge is on the business income from the subsidiaries that are not entitled to the tax exemption as opposed to AB. As AB had been conferred the Multimedia Super Corridor status, it enjoys tax exemption from its pioneer status, which exempts its income from taxation for a period of five (5) years commencing from 4 March 2004.

20. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There were no purchases or disposals of unquoted investments and/or properties for the current quarter under review.

21. Purchase or Disposal of Quoted Securities

There were no purchases or disposals of quoted securities by the Group for the current quarter under review.

22. Status of Corporate Proposals and Utilisation of Proceeds

(a) Status of Corporate Proposals

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

(b) Status of Utilisation of Proceeds

(i) Public Issue and Rights Issue

As at 30 June 2007, the gross proceeds of RM6,000,000 arising from the public issue and the gross proceeds of RM1,347,000 from the rights issue totaling RM7,347,000 were utilised as follows:

Purpose of Proceeds	Proposed Utilisation RM'000	Actual Amount Utilised RM'000	Balance RM'000
(i) Capital expenditure	1,200	1,200	-
(ii) Research and development expenditure	2,200	1,898	302*-
(iii) Working capital	2,747	2,747	-
(iv) Estimated listing expenses	1,200	1,200	-
Total	7,347	7,045	302

* As stated in the Prospectus dated 23 December 2004 for the listing of the Company on Bursa Malaysia Securities Berhad, the RM2.2 million proceeds allocated for research and development expenditure is expected to be utilised by the financial year ended 31 December 2006. On 26 December 2006, AB submitted an application to the Securities Commission ("SC") for the proposed extension of time of one (1) year, from 1 January 2007 to 31 December 2007. The proposed extension of time had been approved by the SC's vide its letter dated on 12 April 2007.

(ii) Placement Issue

As at 30 June 2007, the gross proceeds of RM2,400,000 arising from the placement were utilised as follows:

Purpose of Proceeds	Proposed Utilisation RM'000	Actual Amount Utilised RM'000	Balance RM'000
(i) Working capital	2,290	2,290	-
(ii) Placement Expenses	110	110	-
Total	2,400	2,400	-

23. Borrowings

The total borrowings of the Group as at 30 June 2007 are as follows:

	Current RM'000	Non-Current RM'000	Total RM'000
Secured	2,349	5,907	8,256
Unsecured	-	-	-
Total	2,349	5,907	8,256

The borrowings of RM8.26 million as at 30 June 2007 include borrowings denominated in foreign currency as follows:

	SGD'000	RM'000 Equivalent*
Singapore Dollars	815	1,877

* Based on an exchange rate of RM2.3028 for every one (1) Singapore Dollar.

24. Off Balance Sheet Financial Instruments

The Group has not entered into any financial instruments with off balance sheet risk as at the date of this report.

25. Material Litigation

As at 30 August 2007 (being the latest practicable date not earlier than seven (7) days from the date of issue of this financial result), neither the Company nor its subsidiaries is engaged in any litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors of the Company are not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Group.

26. Dividend

No interim dividend has been declared or paid for the current quarter under review.

27. Earnings Per Share (“EPS”)

The basic EPS for the quarter and cumulative period to date are computed as follow:

a) Basic

Basic EPS is calculated by dividing the net profit attributable to the shareholders of the Group by the weighted average number of shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2007	Preceding Year Corresponding Quarter 30/06/2006	Current Year To Date 30/06/2007	Preceding Year Corresponding Period 30/06/2006
Profit attributable to the shareholders (RM)	144,348	150,050	211,190	240,724
Weighted average number of shares	44,000,000	40,000,000	44,000,000	40,000,000
Basic EPS (sen)	0.33	0.38	0.48	0.60

b) Diluted

Not applicable.