

**ASDION BERHAD**  
**(Company No. 590812-D)**

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**  
**(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.09.2007 RM	Preceding Year Corresponding Quarter 30.09.2006 RM	Current Period To Date 30.09.2007 RM	Preceding Year Corresponding Period 30.09.2006 RM
Revenue	2,824,652	4,382,323	8,164,953	10,901,522
Cost of sales	(1,027,644)	(2,585,327)	(2,928,558)	(5,886,606)
Gross profit	<u>1,797,008</u>	<u>1,796,996</u>	<u>5,236,395</u>	<u>5,014,916</u>
Other operating income	23,709	13,121	83,127	48,348
Operating expenses	(1,583,096)	(1,682,778)	(4,709,751)	(4,654,271)
Finance cost	(161,283)	(101,853)	(421,711)	(239,459)
Share of profit/(loss) of associates	(43,835)	-	(102,464)	-
Profit before tax	<u>32,503</u>	<u>25,486</u>	<u>85,596</u>	<u>169,534</u>
Taxation	(4,419)	(4,145)	(10,678)	(12,644)
Profit for the period	<u><u>28,084</u></u>	<u><u>21,341</u></u>	<u><u>74,918</u></u>	<u><u>156,890</u></u>
Attributable to:				
Equity holders of the company	90,855	139,623	302,046	380,347
Minority interest	(62,771)	(118,282)	(227,128)	(223,457)
	<u><u>28,084</u></u>	<u><u>21,341</u></u>	<u><u>74,918</u></u>	<u><u>156,890</u></u>
Basic EPS (sen)	0.21	0.35	0.69	0.95
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 SEPTEMBER 2007**

**(The figures have not been audited)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.09.2007</b>	<b>31.12.2006</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10,201,543	7,262,555
Investment Property	840,372	854,222
Software development costs	1,172,683	966,004
Deferred tax assets	20,265	20,265
Goodwill on consolidation	43,131	42,918
Investments in associate	-	-
	<u>12,277,994</u>	<u>9,145,964</u>
<b>Current assets</b>		
Inventories	1,409,630	1,576,728
Trade receivables	6,827,189	7,158,415
Other receivables, deposits and prepayments	2,025,267	2,126,495
Taxation recoverable	14,132	14,132
Short term deposits with financial institutions	518,432	494,528
Cash and bank balances	214,845	2,902,788
	<u>11,009,495</u>	<u>14,273,086</u>
<b>TOTAL ASSETS</b>	<u><u>23,287,489</u></u>	<u><u>23,419,050</u></u>
<b>EQUITY AND LIABILITIES</b>		
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	11,220	(20,509)
Retained profits	2,575,147	2,273,101
	<u>12,445,234</u>	<u>12,111,459</u>
Minority interest	120,870	341,564
<b>Total equity</b>	<u>12,566,104</u>	<u>12,453,023</u>
<b>Non-current liabilities</b>		
Bank term loan	3,576,500	3,500,047
Hire purchase and finance lease	2,407,212	840,340
Deferred tax liabilities	49,831	49,831
	<u>6,033,543</u>	<u>4,390,218</u>
<b>Current liabilities</b>		
Trade payables	1,258,819	1,682,747
Other payables and accruals	1,694,960	742,063
Current portion of term loan	130,316	1,677,950
Hire purchase and finance lease	1,205,000	1,755,576
Bank overdraft	390,486	671,662
Tax Payable	8,261	45,811
	<u>4,687,842</u>	<u>6,575,809</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>23,287,489</u></u>	<u><u>23,419,050</u></u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	28.28	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 THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	31,729	-	31,729	6,434	38,163
Net profit for the period	-	-	-	-	302,046	302,046	(227,128)	74,918
Balance as at 30 September 2007	4,400,000	5,458,867	-	11,220	2,575,147	12,445,234	120,870	12,566,104
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	-	-	-	36,232	-	36,232	(3,518)	32,714
Arising from acquisition of subsidiary	-	-	-	-	-	-	36,391	36,391
Issue of ordinary shares to minority	-	-	-	-	-	-	368,938	368,938
Net profit for the period	-	-	-	-	380,347	380,347	(223,457)	156,890
Balance as at 30 September 2006	4,000,000	3,539,386	-	(205,110)	2,212,509	9,546,785	406,640	9,953,425

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 THIRD QUARTER ENDED 30 SEPTEMBER 2007**  
**(The figures have not been audited)**

	<b>QUARTER ENDED 30.09.2007 RM</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.09.2006 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	85,596	169,534
Adjustment for:		
Depreciation	634,922	477,414
Amortisation of Research & Development costs	169,047	69,543
Effect of currency translation	319,126	(3,440)
Interest expense	421,711	239,458
Interest income	(32,673)	(40,071)
Operating profit before working capital changes	<u>1,597,729</u>	<u>912,438</u>
Changes in working capital:		
Inventories	167,098	(956,438)
Receivables	432,454	(4,552,680)
Payables	528,969	676,392
Cash used in operations	<u>2,726,250</u>	<u>(3,920,288)</u>
Tax paid	(48,228)	(240,709)
Interest paid	(421,711)	(239,458)
NET CASH USED IN OPERATING ACTIVITIES	<u>2,256,311</u>	<u>(4,400,455)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,560,060)	(1,691,875)
Research & development costs	(375,726)	(381,810)
Proceeds from issue of shares by a subsidiary to minority interest	-	459,794
Investment in associate	-	-
Interest received	32,673	40,071
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,903,113)</u>	<u>(1,573,820)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment)/drawdown of borrowings	(736,061)	6,090,567
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>(736,061)</u>	<u>6,090,567</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,382,863)</b>	<b>116,292</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,725,654</b>	<b>2,762,042</b>
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER 2007</b>	<b><u>342,791</u></b>	<b><u>2,878,334</u></b>
<b>Cash and cash equivalents as at 30 SEPTEMBER 2007 comprises the following:</b>		
Cash and bank balances	214,845	2,148,148
Short term deposits with financial institutions	518,432	730,186
Bank overdraft	(390,486)	-
	<u>342,791</u>	<u>2,878,334</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 and associated 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/or 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 September 2007 are tabulated below:

<b>Geographical segments</b>	<b>Malaysia</b>	<b>Singapore</b>	<b>China</b>	<b>Brunei</b>	<b>Thailand</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	2,240,185	528,188	36,381	19,748	150	2,824,652
Profit/(Loss) Before Taxation	155,883	128,004	(190,703)	(146)	(60,535)	32,503

## 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 16 October 2007, AB announced that the Company has fully settled the project loan of up to RM 3,000,000 to Malaysian Debt Ventures ("MDV") with interest thereof under the facility agreement entered into between the Company and MDV on 9 August 2006.
- (b) On 18 October 2007, AB announced that the Company had on 17 October 2007 notified Bursa Securities that pursuant to Rule 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 12 October 2007 was 858 and the public shareholding spread was 41.65%.

Pursuant to Rule 8.15(3) of the MMLR, AB had, on even date, applied to Bursa Securities for an extension of time of three (3) months from 17 October 2007 to 16 January 2008 to rectify its public shareholding spread requirement.

- (c) On 19 October 2007, AB announced that AB had executed a new facility agreement with RHB Bank Berhad ("RHB") ("Facility Agreement") whereby RHB agreed to make and/or will continue to make available a term loan amounting to RM3,908,000 ("Facility") subject to the terms and conditions stated in the Facility Agreement.

The Facility will supersede the previous RHB term loan granted to the Company by RHB amounting to RM2,677,000 as announced on 17 August 2006.

The purpose of the Facility is to part finance the Company's purchase of a freehold land held under H.S. (D) 85943, P.T. No. 23983 in the Mukim of Sungai Buluh, District of Petaling, State of Selangor together with one (1) unit of a four storey detached building erected thereon as announced on 14 April 2006 and its extension of the property.

- (d) On 29 October 2007, AB announced that subsequent to 18 October 2007, the number of public shareholders holding not less than 100 shares each in Asdion has increased to 1,016 with a public shareholding spread of 41.65% based on the Record of Depositors of the Company as at 24 October 2007.

In view of the above, Asdion has withdrawn its application letter dated 17 October 2007 in respect of the extension of time to comply with the public shareholding spread pursuant to Rule 8.15(3) of the MMLR.

- (e) On 1 November 2007, AB announced that the Company is proposing to undertake a renounceable rights issue of 11,000,000 new ordinary shares of RM0.10 each in AB ("Rights Shares") with 11,000,000 free detachable new warrants ("Warrant") and 11,000,000 new bonus share ("Bonus Shares"), on the basis of one (1) Rights Share with one (1) Warrant and one (1) Bonus Share for every four (4) existing ordinary shares of RM0.10 each in Asdion held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later.

As at to date, the Company is pending the decision from the relevant authorities.

#### **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 Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the MESDAQ Market**

#### **15. Review of Performance**

For the third quarter ended 30 September 2007, the Group recorded a revenue of approximately RM2.82 million, representing a decrease of approximately 35.54% as compared to the revenue of approximately RM4.38 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 higher profit before taxation ("PBT") of RM32,503 compared to RM25,486 in the preceding year corresponding quarter. The increase of the PBT was attributed to lower operating expenses incurred for the current quarter.

For the nine (9) months period ended 30 September 2007, the Group recorded a revenue of approximately RM8.16 million, representing a decrease of approximately 25.10% as compared to the revenue of approximately RM10.90 million achieved in the preceding year corresponding period. This was mainly due to the decrease in sales of ICT infrastructure equipment segment.

The Group recorded a lower PBT of RM85,596 compared to RM169,534 registered in the preceding year corresponding period ended 30 September 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) loss incurred by majority of the overseas subsidiary companies; and
- (c) share of loss of overseas associated company.

The profit after taxation and minority interests of the Group was RM302,046 as compared to RM380,347 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 September 2007, the Group recorded a revenue of approximately RM2.82 million, representing a decrease of approximately 8.79% as compared to the revenue of approximately RM3.10 million achieved in the immediate preceding quarter ended 30 June 2007. The lower revenue was largely contributed by the decrease of sales of ICT infrastructure equipment.



In line with the lower revenue, the Group recorded a lower PBT of RM32,503 compared to RM41,449 registered in the immediate preceding quarter. This was attributed to higher finance cost and loss incurred by majority of the overseas subsidiary companies. As a result of the factors mentioned above, the Group registered a profit after taxation and minority interests of RM90,855 as compared to RM144,348 achieved in the immediate preceding quarter ended 30 June 2007.

#### 17. Prospects for the Current Financial Year

The Board of Directors of AB anticipate that the business outlook of the Group for the financial year ending 31 December 2007 remains challenging. In line with the Group's business strategies, the Company will continue to focus on its core business segments and barring any unforeseen circumstances, the performance of the Group would improve moving forward.

#### 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 30.09.2007	Preceding Year Corresponding Quarter 30.09.2006	Current Period To Date 30.09.2007	Preceding Year Corresponding Period 30.09.2006
	RM	RM	RM	RM
Current taxation	4,419	4,145	10,678	12,644

The effective tax rate of the Group for the current quarter and current period to date are lower than the statutory tax rate of 27% as the Company was accorded the Multimedia Super Corridor Status of which it enjoys tax exemption from its pioneer status 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

Save as disclosed in Notes 9, 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 September 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 fully utilised as follows:

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

## 23. Borrowings

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

	<b>Current RM'000</b>	<b>Non-Current RM'000</b>	<b>Total RM'000</b>
Secured	1,726	5,984	7,710
Unsecured	-	-	-
<b>Total</b>	<b>1,726</b>	<b>5,984</b>	<b>7,710</b>

The borrowings of RM7.71 million as at 30 September 2007 include borrowings denominated in foreign currency as follows:

	<b>SGD'000</b>	<b>RM'000 Equivalent*</b>
Singapore Dollars	717	1,652

*Note:*

\* 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 November 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 current quarter and current period to date are computed as follows:

### 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.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Corresponding</b>	<b>Period To</b>	<b>Corresponding</b>
	<b>30/09/2007</b>	<b>Quarter</b>	<b>Date</b>	<b>Period</b>
		<b>30/09/2006</b>	<b>30/09/2007</b>	<b>30/09/2006</b>
Profit attributable to the shareholders (RM)	90,855	139,623	302,046	380,347
Weighted average number of shares	44,000,000	40,000,000	44,000,000	40,000,000
Basic EPS (sen)	0.21	0.35	0.69	0.95

### b) Diluted

Not applicable.