

ASDION BERHAD
(Company No. 590812-D)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2008
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.03.2008 RM	Preceding Year Corresponding Quarter 31.03.2007 RM	Current Period To Date 31.03.2008 RM	Preceding Year Corresponding Period 31.03.2007 RM
Revenue	1,814,321	2,243,364	1,814,321	2,243,364
Cost of sales	(560,799)	(596,471)	(560,799)	(596,471)
Gross profit	<u>1,253,522</u>	<u>1,646,893</u>	<u>1,253,522</u>	<u>1,646,893</u>
Other operating income	36,862	36,261	36,862	36,261
Operating expenses	(1,051,595)	(1,542,552)	(1,051,595)	(1,542,552)
Finance cost	(167,071)	(124,009)	(167,071)	(124,009)
Share of profit/(loss) of associates	-	(4,950)	-	(4,950)
Profit before tax	<u>71,718</u>	<u>11,643</u>	<u>71,718</u>	<u>11,643</u>
Taxation	(7,938)	(5,875)	(7,938)	(5,875)
Profit for the period	<u><u>63,780</u></u>	<u><u>5,768</u></u>	<u><u>63,780</u></u>	<u><u>5,768</u></u>
Attributable to:				
Equity holders of the parent company	17,890	66,842	17,890	66,842
Minority interest	45,890	(61,074)	45,890	(61,074)
	<u><u>63,780</u></u>	<u><u>5,768</u></u>	<u><u>63,780</u></u>	<u><u>5,768</u></u>
Basic EPS (sen)	0.04	0.15	0.04	0.15
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 2007 and the accompanying explanatory notes attached to this interim financial report.

ASDION BERHAD
(Company No. 590812-D)

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2008

(The figures have not been audited)

	Unaudited As at 31.03.2008 RM	Audited As at 31.12.2007 RM
ASSETS		
Non-current assets		
Property, plant and equipment	10,558,395	10,731,045
Investment Property	2,368,123	2,097,191
Software development costs	1,924,433	1,922,559
Deferred tax assets	18,809	18,809
Goodwill on consolidation	33,000	33,000
Investments in associate	497,844	-
	<u>15,400,604</u>	<u>14,802,604</u>
Current assets		
Inventories	668,812	580,816
Trade receivables	5,909,911	5,840,147
Other receivables, deposits and prepayments	1,426,804	1,317,279
Taxation recoverable	7,406	6,960
Short term deposits with financial institutions	777,288	943,462
Cash and bank balances	175,018	641,548
	<u>8,965,239</u>	<u>9,330,212</u>
TOTAL ASSETS	<u><u>24,365,843</u></u>	<u><u>24,132,816</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	(23,315)	(69,652)
Retained profits	2,604,279	2,586,389
	<u>12,439,831</u>	<u>12,375,604</u>
Minority interest	78,964	33,096
Total equity	<u>12,518,795</u>	<u>12,408,700</u>
Non-current liabilities		
Bank term loan	4,734,240	4,654,945
Hire purchase and finance lease	2,282,160	2,283,658
Deferred tax liabilities	191,506	191,506
	<u>7,207,906</u>	<u>7,130,109</u>
Current liabilities		
Trade payables	809,544	534,190
Other payables and accruals	982,748	982,401
Current portion of term loan	435,362	488,366
Hire purchase and finance lease	1,709,275	1,899,514
Bank overdraft	675,082	679,069
Tax Payable	27,131	10,467
	<u>4,639,142</u>	<u>4,594,007</u>
TOTAL EQUITY AND LIABILITIES	<u><u>24,365,843</u></u>	<u><u>24,132,816</u></u>
Net assets per share attributable to ordinary equity holders of the parent company (sen)	28.27	28.13

The unaudited condensed consolidated balance sheets should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2007 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 FIRST QUARTER ENDED 31 MARCH 2008

(The figures have not been audited)

	<----- Attributable to equity holders of the parent ----->						Total Equity RM
	Share capital RM	<----- Non-Distributable ----->		Distributable Retained profits RM	Total RM	Minority Interest RM	
	Share premium RM	Others reserve RM					
Balance as at 1 January 2008	4,400,000	5,458,867	(69,652)	2,586,389	12,375,604	33,096	12,408,700
Arising from translation of foreign currency financial statements	-	-	46,337	-	46,337	(22)	46,315
Net profit for the period	-	-	-	17,890	17,890	45,890	63,780
Balance as at 31 March 2008	<u>4,400,000</u>	<u>5,458,867</u>	<u>(23,315)</u>	<u>2,604,279</u>	<u>12,439,831</u>	<u>78,964</u>	<u>12,518,795</u>
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	-	-	2,940	-	2,940	5,003	7,943
Net profit for the period	-	-	-	66,842	66,842	(61,074)	5,768
Balance as at 31 March 2007	<u>4,400,000</u>	<u>5,458,867</u>	<u>(17,569)</u>	<u>2,339,943</u>	<u>12,181,241</u>	<u>285,493</u>	<u>12,466,734</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 2007 and the accompanying notes attached to this interim financial report.

ASDION BERHAD
(Company No. 590812-D)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2008
(The figures have not been audited)

	QUARTER ENDED 31.03.2008 RM	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.03.2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	71,718	11,643
Adjustment for:		
Depreciation	300,802	176,645
Amortisation of prepaid properties lease payments	8,285	-
Amortisation of Research & Development costs	111,351	56,349
Allowance for doubtful debts	-	-
Gain on disposal of subsidiary	(383,786)	-
Unrealised gain on foreign exchange	(2,450)	-
Interest expense	167,071	124,009
Interest income	(12,722)	(13,407)
Effect of currency translation	(44,923)	(2,643)
Operating profit before working capital changes	<u>215,346</u>	<u>352,596</u>
Changes in working capital:		
Increase in inventories	(87,996)	(177,971)
(Increase)/Decrease in receivables	(179,289)	223,448
Increase/(Decrease) in payables	275,701	(1,135,849)
Cash used in operations	<u>223,763</u>	<u>(737,776)</u>
Tax paid	(8,280)	(1,446)
Interest paid	(167,071)	(124,009)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	<u>48,412</u>	<u>(863,231)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition)/Disposal of subsidiary	287,258	-
Investment of associate	(497,844)	(97,515)
Purchase of property, plant and equipment	(165,495)	(265,781)
Investment Property	(279,262)	-
Development costs	(113,225)	(206,762)
Interest received	12,722	13,407
NET CASH USED IN INVESTING ACTIVITIES	<u>(755,847)</u>	<u>(556,651)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	105,007	-
Net repayment of borrowings	(26,289)	(633,890)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>78,718</u>	<u>(633,890)</u>
Net decrease in cash and cash equivalents	(628,717)	(2,053,772)
Cash and cash equivalents at beginning of year	905,941	2,725,654
CASH AND CASH EQUIVALENTS AT 31 MARCH 2008	<u>277,224</u>	<u>671,882</u>
Cash and cash equivalents as at 31 MARCH 2008		
comprises the following:		
Cash and bank balances	175,018	852,232
Short term deposits with financial institutions	777,288	501,686
Bank overdraft	(675,082)	(682,036)
	<u>277,224</u>	<u>671,882</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 2007 and the accompanying notes attached to this interim financial report.

ASDION BERHAD (Company No: 590812-D) (“Asdion” 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 the audited consolidated financial statements of Asdion for the financial year ended 31 December 2007. 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 Asdion, its subsidiary and associated companies (“Group”) the Group since the financial year ended 31 December 2007.

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 2007.

2. Auditors’ Report

The preceding annual audited consolidated financial statements for the financial year ended 31 December 2007 were not subjected to any qualification.

3. Seasonal or Cyclical Factors

The operations of the Group were not affected 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 of unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows of the Group.

5. 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.

6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

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

7. Dividends Paid

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

8. 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 revaluation on the property, plant and equipment during the current quarter under review.

9. Changes in the Composition of the Group

Save as disclosed below, there were no changes in the composition of the Group subsequent to the end of the current quarter under review:

On 12 May 2008, the Board of Directors of Asdion (“Board”, announced that its 90%-owned subsidiary company, Asdion Digital Advance System Sdn Bhd. (“ADAS”) and Mr. Shia Kok Fat (“Mr. Shia”) had on even date entered into a conditional share sale agreement with Medilink-Global UK Limited (“MGL”) (“Share Sale Agreement”) for a proposed disposal of their entire equity interests in Medilink-Global Asia Pte. Ltd. (“MGA”) to MGL for a total consideration of Great Britain Pound (“£”) 4,500,000 (equivalent to approximately RM28,265,850 based on the exchange rate prevailing as at 2 May 2008 of £1.00 : RM6.2813) (“Disposal Consideration”) to be fully satisfied by the issuance of 45,000,000 new ordinary shares of £0.10 each in MGL (“MGL Shares”) at an issue price of £0.10 each (“Consideration Shares”) (“Proposed Disposal”).

Under the Share Sale Agreement, ADAS proposes to dispose of its entire equity interest of approximately 35% held in MGA, comprising of 215,000 ordinary shares in MGA (“MGA Shares”), to MGL for a consideration of £1,573,200 (equivalent to approximately RM9,881,741 based on the exchange rate prevailing as at 2 May 2008 of £1.00 : RM6.2813) to be fully satisfied by the issuance of 15,732,000 MGL Shares at an issue price of £0.10 each.

Mr. Shia and ADAS (“Vendors”) shall dispose of their entire equity interest of approximately 65% and 35% held in MGA respectively, comprising 400,000 and 215,000 MGA Shares (collectively referred to as “Sale Shares”) respectively, to MGL for a total consideration of £4,500,000 (equivalent to approximately RM28,265,850) to be fully satisfied by the issuance of 45,000,000 MGL Shares at an issue price of £0.10 each to Mr. Shia and ADAS in proportion to their shareholdings in MGA.

Following the completion of the Proposed Disposal, the shareholdings in MGL will be as follows:

Name	No. of shares in MGL	Value (£)	% held
Mr. Shia	29,269,000*	2,926,900	65.04%
ADAS	15,732,000	1,573,200	34.96%
	45,001,000	4,500,100	100.00%

Note: * Inclusive of 1,000 existing shares held/transferred in MGL.

The Proposed Disposal is expected to be completed by the third quarter of 2008.

The Board intends to retain its approximately 35% shareholding in MGL via ADAS for investment purposes and the Vendors intend to seek a listing of MGL on the Alternative Investment Market (“AIM”) of the London Stock Exchange in the near future.

The proposed MGL listing on AIM is still under review.

10. Segmental Information

The segmental analysis of the revenue and profit for the current quarter ended 31 March 2008 are tabulated below:

Geographical segments	Malaysia	Singapore	China	Brunei	Thailand	Total
	RM	RM	RM	RM	RM	RM
Revenue	1,259,566	386,823	54,364	113,568	-	1,814,321
Profit/(Loss) Before Taxation	239,612	(25,862)	(141,631)	(401)	-	71,718

11. 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 May 2008, Asdion announced that the shareholders of Asdion who were present and voting, had at the extraordinary general meeting (“EGM”) held on 16 May 2008 unanimously approved all the following resolutions set out in the Notice of EGM dated 30 April 2008.
 - (i) Ordinary resolution 1 : Proposed renounceable Rights Issue of 11,000,000 new ordinary shares of RM0.10 each in Asdion with 11,000,000 free detachable new Warrants (“Warrants”) and 11,000,000 Bonus shares, on the basis of one (1) Rights share with one (1) Warrants and one (1) Bonus share for every four (4) existing ordinary shares of RM0.10 each in Asdion held on an entitlement date to be determined and announced later
 - (ii) Ordinary resolution 2 : The proposes to undertake a proposed increase in the authorised share capital of Asdion from RM5,000,000 comprising 50,000,000 Asdion Shares to RM10,000,000 comprising 100,000,000 Asdion Shares (“Proposed Increase in Authorised Share Capital”).
- (b) On 23 May 2008, Asdion announced that the Board had on even date resolved to fix the following prices for the securities to be issued pursuant to the Rights Issue as follows:
 - (i) The issue price of the Rights Shares is fixed at RM0.39 per Rights Share; and
 - (ii) The exercise price of the free detachable Warrants to be issued pursuant to the Rights Issue is fixed at RM0.39 per Warrant.

The abovementioned issue price of RM0.39 per Rights Share was arrived at after taking into consideration the five (5)-day weighted average market price of Asdion Shares up to 22 May 2008 of approximately RM0.41 per Share. As each Rights Share is attached with one (1) Bonus Share, the effective price for each Share (one (1) Rights Share and one (1) Bonus Share) is approximately RM0.195 (without accounting for the implied value of each Warrant), which represents a discount of RM0.143 per Share or approximately 42% to the theoretical ex-rights price of RM0.338.

The abovementioned exercise price of RM0.39 per Warrant was arrived at after taking into consideration the theoretical ex-rights price of Asdion Shares of RM0.338. The said exercise price represents a premium of RM0.052 per Warrant or 15% to the theoretical ex-rights price of RM0.338.

The Rights Issue is expected to be completed by the third quarter of 2008.

12. Contingent Assets or Liabilities

There were no material contingent assets or liabilities since the last annual balance sheet date up to the date of this report.

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 first quarter ended 31 March 2008, the Group recorded a revenue of approximately RM1.81 million. This amount represents a decrease of approximately 19.12% as compared to the revenue achieved in the preceding corresponding quarter of approximately RM2.24 million. The lower revenue was due to lower sales generated in the information technology (“IT”) consultation and IT services segment.

The Group recorded a profit before taxation (“PBT”) of RM71,718 for the current quarter compared to the PBT of RM11,643 registered in the preceding corresponding quarter. The increase in the PBT was attributed to lower operating expenses incurred for the current quarter.

The profit after taxation and minority interests (“PATMI”) of the Group was RM48,592 lower than the PATMI registered in the preceding corresponding quarter of RM66,842.

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

Compared with the immediate preceding quarter ended 31 December 2007, the Group’s revenue for the current quarter was approximately 19.46% lower than the immediate preceding quarter. However, the PBT for the current quarter was approximately 84.22% higher than the preceding quarter ended 31 December 2007.

The lower revenue recorded was attributed mainly to the lower sales generated in the information and communications technology (“ICT”) infrastructure equipment segment and “Alliance Marketing” software solution segment.

The higher PBT registered in the current quarter was primarily due to the lower amount of cost of sales.

The Group registered a PATMI of RM17,890 as compared to RM17,813 achieved in the immediate preceding quarter ended 31 December 2007. The slight increase in the PATMI was due to lower taxation charged in the current quarter as compared to the immediate preceding quarter.

17. Prospects for the Current Financial Year

The Group will continue to focus on its core business segments by offering more enhanced and new products to the markets. In doing so, the Group hopes to secure new projects and businesses to strengthen its position in its core business segments. The Group will also continue to develop its overseas markets by speeding up the collaboration with other business partners both locally and in the region.

The Board is optimistic that the Group’s financial performance for the financial year ending 31 December 2008 will improve.

18. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial period to date.

19. Taxation

Taxation comprises:

	Individual Quarter		Cumulative Quarters	
	Current Quarter 31.03.2008	Preceding Year Corresponding Quarter 31.03.2007	Current Period To Date 31.03.2008	Preceding Year Corresponding Period 31.03.2007
	RM	RM	RM	RM
Current taxation	7,938	5,875	7,938	5,875

The effective tax rate of the Group for the current quarter and current period to-date is approximately 11.07% which is lower than the statutory tax rate of 26% as most of the taxation charge is on the business income from Asdion that are entitled to the tax exemption. As Asdion is conferred with the Multimedia Super Corridor Malaysia 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 during the current quarter under review and current period to-date.

21. Purchase or Disposal of Quoted Securities

There were no purchases or disposals of quoted securities by the Group during the current quarter under review and current period to-date.

22. Status of Corporate Proposals and Utilisation of Proceeds

(a) Corporate Proposal

Save as disclosed in Notes 9 and 11 and as disclosed above, as at 30 May 2008 (being the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report), there were no corporate proposals announced but not yet completed.

(b) Utilisation of Proceeds

Not applicable.

23. Borrowings

The total borrowings of the Group as at 31 March 2008 are as follows:

	Current RM'000	Non-Current RM'000	Total RM'000
Secured	2,819,719	7,016,400	9,836,119
Unsecured	-	-	-
Total	2,819,719	7,016,400	9,836,119

The borrowings of approximately RM9.84 million as at 31 March 2008 include borrowings denominated in foreign currency which is set out as follows:

	SGD'000	RM'000
Singapore Dollars	897	2,057*

Note:

* Equivalent amount based on an exchange rate prevailing as at 31 December 2007 of RM2.2938 for one (1) Singapore Dollar.

24. Off Balance Sheet Financial Instruments

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

25. Material Litigation

As at 30 May 2008 (being the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report), 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 financial position or business performance of the Group.

26. Dividend

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

27. Earnings Per Share ("EPS")

The basic EPS for the current quarter and cumulative 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.

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.03.2008	Preceding Year Corresponding Quarter 31.03.2007	Current Period To Date 31.03.2008	Preceding Year Corresponding Period 31.03.2007
Profit attributable to the ordinary equity holders of the parent company (RM)	17,890	66,843	17,890	66,843
Weighted average number of shares	44,000,000	44,000,000	44,000,000	44,000,000
Basic EPS (sen)	0.04	0.15	0.04	0.15

b) Diluted

Not applicable