

ASDION BERHAD
(Company No. 590812-D)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.09.2008 RM	Preceding Year Corresponding Quarter 30.09.2007 RM	Current Period To Date 30.09.2008 RM	Preceding Year Corresponding Period 30.09.2007 RM
Revenue	1,267,096	2,824,652	4,900,618	8,164,953
Cost of sales	(376,017)	(1,027,644)	(1,421,589)	(2,928,558)
Gross profit	<u>891,079</u>	<u>1,797,008</u>	<u>3,479,029</u>	<u>5,236,395</u>
Other operating income	48,230	23,709	132,664	83,127
Operating expenses	(1,623,313)	(1,583,096)	(4,176,864)	(4,709,751)
Finance cost	(191,961)	(161,283)	(568,784)	(421,711)
Gain on disposal of associate	9,486,362	-	9,486,362	-
Share of profit/(loss) of associates	(50,150)	(43,835)	-	(102,464)
Profit/(Loss) before tax	<u>8,560,247</u>	<u>32,503</u>	<u>8,352,407</u>	<u>85,596</u>
Taxation	(34,693)	(4,419)	(97,959)	(10,678)
Profit/(Loss) for the period	<u><u>8,525,554</u></u>	<u><u>28,084</u></u>	<u><u>8,254,448</u></u>	<u><u>74,918</u></u>
Attributable to:				
Equity holders of the parent company	7,586,652	90,855	7,270,585	302,046
Minority interest	938,902	(62,771)	983,863	(227,128)
	<u><u>8,525,554</u></u>	<u><u>28,084</u></u>	<u><u>8,254,448</u></u>	<u><u>74,918</u></u>
Basic Earning/(Loss) per share ("EPS")/("LPS") (sen)	15.33	0.21	14.68	0.69
Diluted EPS/(LPS) (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 30 SEPTEMBER 2008
(The figures have not been audited)

	Unaudited	Audited
	As at	As at
	30.09.2008	31.12.2007
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	10,098,106	10,731,045
Investment Property	2,351,463	2,097,191
Software development costs	1,931,181	1,922,559
Deferred tax assets	18,809	18,809
Goodwill on consolidation	33,000	33,000
Investments in associate	9,881,741	-
	<u>24,314,300</u>	<u>14,802,604</u>
Current assets		
Inventories	961,192	580,816
Trade receivables	5,376,958	5,840,147
Other receivables, deposits and prepayments	1,898,595	1,317,279
Taxation recoverable	785	6,960
Short term deposits with financial institutions	2,301,558	943,462
Cash and bank balances	532,870	641,548
	<u>11,071,958</u>	<u>9,330,212</u>
TOTAL ASSETS	<u><u>35,386,258</u></u>	<u><u>24,132,816</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	6,600,000	4,400,000
Share premium	7,062,441	5,458,867
Exchange fluctuation reserve	37,092	(69,652)
Retained profits	9,856,974	2,586,389
	<u>23,556,507</u>	<u>12,375,604</u>
Minority interest	1,016,882	33,096
Total equity	<u>24,573,389</u>	<u>12,408,700</u>
Non-current liabilities		
Bank term loan	4,925,197	4,654,945
Hire purchase and finance lease	2,250,477	2,283,658
Deferred tax liabilities	190,803	191,506
	<u>7,366,477</u>	<u>7,130,109</u>
Current liabilities		
Trade payables	818,811	534,190
Other payables and accruals	1,272,078	982,401
Current portion of term loan	150,745	488,366
Hire purchase and finance lease	575,312	1,899,514
Bank overdraft	621,807	679,069
Tax Payable	7,639	10,467
	<u>3,446,392</u>	<u>4,594,007</u>
TOTAL EQUITY AND LIABILITIES	<u><u>35,386,258</u></u>	<u><u>24,132,816</u></u>
	-	-
Net assets per share attributable to ordinary equity holders of the parent company (sen)	35.69	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 THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	106,744	-	106,744	(77)	106,667
Right Issue, net of share issue cost	1,100,000	1,603,574	-	-	2,703,574	-	2,703,574
Bonus Issue, net of share issue cost	1,100,000	-			1,100,000	-	1,100,000
Net profit for the period	-	-	-	7,270,585	7,270,585	983,863	8,254,448
Balance as at 30 September 2008	<u>6,600,000</u>	<u>7,062,441</u>	<u>37,092</u>	<u>9,856,974</u>	<u>23,556,507</u>	<u>1,016,882</u>	<u>24,573,389</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	-	-	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	<u>4,400,000</u>	<u>5,458,867</u>	<u>11,220</u>	<u>2,575,147</u>	<u>12,445,234</u>	<u>120,870</u>	<u>12,566,104</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 THIRD QUARTER ENDED 30 SEPTEMBER 2008
(The figures have not been audited)

	QUARTER ENDED 30.09.2008 RM	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.09.2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,352,408	85,596
Adjustment for:		
Depreciation	878,941	634,922
Amortisation of prepaid properties lease payments	24,855	-
Amortisation of Research & Development costs	334,054	169,047
Gain on disposal of subsidiary	(383,786)	-
Gain on disposal of associate	(9,486,363)	-
Loss on disposal of property, plant and equipment	16,106	-
Impairment loss on goodwill	149,254	-
Reversal of gain of the associate due to disposal	50,150	-
Unrealised gain on foreign exchange	(2,450)	-
Interest expense	568,784	421,711
Interest income	(48,818)	(32,673)
Effect of currency translation	95,362	319,126
Operating profit before working capital changes	<u>548,497</u>	<u>1,597,729</u>
Changes in working capital:		
(Increase)/Decrease in inventories	(380,376)	167,098
(Increase)/ Decrease in receivables	(118,127)	432,454
Increase/(Decrease) in payables	574,297	528,969
Cash used in operations	<u>624,291</u>	<u>2,726,250</u>
Tax paid	(94,612)	(48,228)
Interest paid	(568,784)	(421,711)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	<u>(39,105)</u>	<u>2,256,311</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition)/Disposal of subsidiary	287,258	-
Investment of associate	(497,844)	-
Purchase of property, plant and equipment	(303,364)	(3,560,060)
Investment Property	(279,262)	-
Proceed from Disposal of property, plant and equipment	3,500	-
Development costs	(342,676)	(375,726)
Interest received	48,818	32,673
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,083,570)</u>	<u>(3,903,113)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue, net of share issue costs	3,824,240	-
Payment of finance lease liabilities	-	-
Net repayment of borrowings	(1,394,885)	(736,061)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>2,429,355</u>	<u>(736,061)</u>
Net decrease in cash and cash equivalents	1,306,680	(2,382,863)
Cash and cash equivalents at beginning of year	905,941	2,725,654
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER 2008	<u>2,212,621</u>	<u>342,791</u>
Cash and cash equivalents as at 30 September 2008 comprises the following:		
Cash and bank balances	532,870	214,845
Short term deposits with financial institutions	2,301,558	518,432
Bank overdraft	(621,807)	(390,486)
	<u>2,212,621</u>	<u>342,791</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 and its subsidiary companies (“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 was not subject 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 prior interim periods of the current financial year or in prior financial years that will have a material effect in the current quarter under review.

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

Save for the 11,000,000 new ordinary shares of RM0.10 each in Asdion together with 11,000,000 free detachable new warrants and 11,000,000 bonus shares issued on 17 July 2008 pursuant to the rights issue exercise of the company ("Rights Issue"), which was completed on 24 July 2008, there were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for 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:

(a) On 12 September 2008, Asdion announced that it had undertaken the following:

- (i) acquired 27,998 ordinary shares of RM1.00 each in Asdion Media Sdn Bhd ("AMS"), representing approximately 56% of the issued and paid-up share capital of AMS from Asdion Project Synergy Sdn Bhd, a wholly-owned subsidiary company of Asdion, for a cash consideration of RM1.00; and
- (ii) acquired another 22,000 ordinary shares of RM1.00 each in AMS, representing approximately 44% of the issued and paid-up capital of AMS from Goh Lai Heng for a cash consideration of RM1.00

The acquisition has been completed and AMS is now a wholly-owned subsidiary company of Asdion.

(b) On 14 November 2008, Asdion announced that the entire issued and paid-up share capital of Medilink-Global UK Limited ("Medilink"), an associated company of Asdion, comprising 103,330,630 ordinary shares of nominal value of £0.05 each at a price of £0.18 per share will be admitted to the Alternative Investment Market of the London Stock Exchange ("AIM") ("Listing") on Tuesday, 18 November 2008.

Pursuant to the Listing, the existing shareholding in Medilink of 34.96% held through Asdion Digital Advance System Sdn Bhd, a 90%- owned subsidiary company of Asdion, has been diluted to 30.45%.

10. Segmental Information

The segmental analysis of the revenue and profit for the current quarter ended 30 September 2008 are tabulated below:

Geographical segments	Malaysia	Singapore	China	Brunei	Thailand	Total
	RM	RM	RM	RM	RM	RM
Revenue	726,503	451,581	84,472	4,540	-	1,267,096
Profit/(Loss) Before Taxation	8,661,591	(30,411)	(69,005)	(1,928)	-	8,560,247

11. Material Events Subsequent to the End of the Interim Period

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

On 11 November 2008, Asdion announced that the Company does not intend to retain the services of a sponsor after 12 January 2009 (being the expiration date of Alliance Investment Bank Berhad as the sponsor of the Company) as the Company would have been listed on the MESDAQ Market of Bursa Securities for more than 3 full financial years and the Board is of the opinion that the Company possesses adequate ability to comply and abide by the rules and regulations of the Securities Commission and those of Bursa Securities without the need for the services of a sponsor.

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 third quarter ended 30 September 2008, the Group recorded a revenue of approximately RM1.27 million. This represents a decrease of 55.14% as compared to the revenue achieved in the preceding corresponding quarter of approximately RM2.82 million. The lower revenue was due to lower sales generated in the information and communications technology (“ICT”) infrastructure equipment segment and the “Alliance Marketing” solution segment.

The Group recorded a profit before taxation (“PBT”) of approximately RM8.56 million for the current quarter compared to the PBT of RM32,503 registered in the preceding corresponding quarter. The higher profit was attributed to the recognition of gain from the disposal of its two associated companies, namely Medilink (Thailand) Co. Ltd and Medilink-Global (Asia) Pte Ltd.

For the 9 months period ended 30 September 2008, the Group recorded a revenue of approximately RM4.90 million, registering a decrease of 39.98% as compared to the revenue of approximately RM8.16 million achieved in the preceding corresponding period. The reduction in revenue was mainly due to the decrease in sales of ICT infrastructure equipment segment and the “Alliance Marketing” solution segment.

The Group recorded a PBT of approximately RM8.35 million in the 9 months period ended 30 September 2008 compared to a PBT of RM85,596 registered in the preceding corresponding period. The increase of the PBT was attributed to the recognition of gain from the disposal of its two associated companies, namely Medilink (Thailand) Co. Ltd and Medilink-Global (Asia) Pte Ltd.

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

For the current quarter ended 30 September 2008, the Group recorded a revenue of approximately RM1.27 million, or a decrease of 30.35% from the immediate preceding quarter ended 30 June 2008 of RM1.82 million. The decrease in revenue was attributed to the decrease of the sales of information technology services segment and the “Segment Centric Penetration Approach” segment.

The Group recorded a PBT of approximately RM8.56 million as compared to a loss before tax of RM279,558 registered in the immediate preceding quarter. The higher profit was largely due to the recognition of gain from the disposal of its two associated companies, namely Medilink (Thailand) Co. Ltd and Medilink-Global (Asia) Pte Ltd.

17. Prospects for the Current Financial Year

The Group anticipates that the operating environment of the Group for the remaining financial year ending 31 December 2008 will continue to be challenging in view of the slowdown of the global economy.

Nevertheless, the Group will continue to focus on the development, marketing and distribution of its advanced integrated solutions to sustain its revenue growth and to reduce its operating expenses so as to improve its profitability, going forward.

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 30.09.2008	Preceding Year Corresponding Quarter 30.09.2007	Current Period To Date 30.09.2008	Preceding Year Corresponding Period 30.09.2007
	RM	RM	RM	RM
Current taxation	34,693	4,419	97,959	10,678

The effective tax rate of the Group for the current quarter and current period to-date are lower than the statutory tax rate of 26% as the recognition of gain from the disposal of associated companies are not subject to the taxation charge.

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

As at 28 November 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

As at 30 September 2008, the gross proceeds of RM4,290,000 arising from the Rights Issue were utilised as follows:

Purpose of Proceeds	Proposed Utilisation RM'000	Actual Amount Utilised RM'000	Deviation		Expected time frame for utilisation	Explanations
			RM'000	%		
(i) Working Capital	3,790	1,267	2,523	66.57	Within 18 months	On-going utilisation
(ii) Rights Issue expenses	500	465	35	7	Within 6 months	On-going utilisation
Total	4,290	1,732	2,558			

23. Borrowings

The total borrowings of the Group as at 30 September 2008 are as follows:

	Current RM'000	Non-Current RM'000	Total RM'000
Secured	1,348	7,176	8,524
Unsecured	-	-	-
Total	1,348	7,176	8,524

The total borrowings of approximately RM8.5 million as at 30 September 2008 include borrowings denominated in foreign currency which is set out as follows:

	SGD'000	RM'000
Singapore Dollars	926	2,195*

Note:

* Equivalent amount based on an exchange rate prevailing as at 24 November 2008 of RM2.3712: SGD1.00

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 28 November 2008 (being the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report), the Group is not 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 Board of 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

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 during the period.

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Period To	Corresponding
	30.09.2008	Quarter	Date	Period
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
Profit attributable to the ordinary equity holders of the parent company (RM)	7,586,652	90,855	7,270,585	302,046
Weighted average number of shares	49,500,000	44,000,000	49,540,146	44,000,000
Basic EPS (sen)	15.33	0.21	14.68	0.69

b) Diluted

Not applicable