

ASDION BERHAD
(Company No. 590812-D)

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2008 RM	Preceding Year Corresponding Quarter 31.12.2007 RM	Current Period To Date 31.12.2008 RM	Preceding Year Corresponding Period 31.12.2007 RM
Revenue	963,567	2,252,649	5,864,185	9,980,546
Cost of sales	(837,041)	(1,118,048)	(2,258,630)	(3,726,220)
Gross profit	<u>126,526</u>	<u>1,134,601</u>	<u>3,605,555</u>	<u>6,254,326</u>
Other operating income	66,749	85,692	227,812	289,701
Operating expenses	(2,033,943)	(992,979)	(6,622,993)	(5,572,867)
Finance cost	(151,219)	(188,382)	(720,003)	(610,017)
Gain on disposal of associate	(6,705)	-	9,863,444	-
Share of profit/(loss) of associates	(75,355)	-	(75,355)	(102,464)
Profit/(Loss) before tax	<u>(2,073,947)</u>	<u>38,932</u>	<u>6,278,460</u>	<u>258,679</u>
Taxation	2,170	(37,191)	(95,789)	(182,363)
Profit/(Loss) for the period	<u><u>(2,071,777)</u></u>	<u><u>1,741</u></u>	<u><u>6,182,671</u></u>	<u><u>76,316</u></u>
Attributable to:				
Equity holders of the parent company	(2,040,824)	17,812	5,229,762	313,288
Minority interest	(30,953)	(16,071)	952,909	(236,972)
	<u><u>(2,071,777)</u></u>	<u><u>1,741</u></u>	<u><u>6,182,671</u></u>	<u><u>76,316</u></u>
Basic Earning/(Loss) per share ("EPS")/("LPS") (sen)	(3.09)	0.04	9.74	0.71
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 31 DECEMBER 2008

(The figures have not been audited)

	Unaudited As at 31.12.2008 RM	Audited As at 31.12.2007 RM
ASSETS		
Non-current assets		
Property, plant and equipment	10,771,763	10,731,045
Investment Property	2,538,604	2,097,191
Software development costs	2,101,085	1,922,559
Deferred tax assets	29,362	18,809
Goodwill on consolidation	33,000	33,000
Investments in associate	9,806,386	-
	<u>25,280,200</u>	<u>14,802,604</u>
Current assets		
Inventories	750,551	580,816
Trade receivables	4,003,062	5,840,147
Other receivables, deposits and prepayments	806,862	1,317,279
Taxation recoverable	7,406	6,960
Short term deposits with financial institutions	1,213,017	943,462
Cash and bank balances	495,768	641,548
	<u>7,276,666</u>	<u>9,330,212</u>
TOTAL ASSETS	<u><u>32,556,866</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	7,080,376	5,458,867
Exchange fluctuation reserve	82,288	(69,652)
Retained profits	7,816,151	2,586,389
	<u>21,578,815</u>	<u>12,375,604</u>
Minority interest	1,007,031	33,096
Total equity	<u>22,585,846</u>	<u>12,408,700</u>
Non-current liabilities		
Bank term loan	4,558,657	4,654,945
Hire purchase and finance lease	1,416,285	2,283,658
Deferred tax liabilities	182,305	191,506
	<u>6,157,247</u>	<u>7,130,109</u>
Current liabilities		
Trade payables	895,513	534,190
Other payables and accruals	828,705	982,401
Current portion of term loan	548,732	488,366
Hire purchase and finance lease	858,300	1,899,514
Bank overdraft	687,461	679,069
Tax Payable	(4,938)	10,467
	<u>3,813,773</u>	<u>4,594,007</u>
TOTAL EQUITY AND LIABILITIES	<u><u>32,556,866</u></u>	<u><u>24,132,816</u></u>
Net assets per share attributable to ordinary equity holders of the parent company (sen)	32.70	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 FOURTH QUARTER ENDED 31 DECEMBER 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	-	-	151,940	-	151,940	21,026	172,966
Right Issue, net of share issue cost	1,100,000	1,621,509	-	-	2,721,509	-	2,721,509
Bonus Issue, net of share issue cost	1,100,000	-			1,100,000	-	1,100,000
Net profit for the period	-	-	-	5,229,762	5,229,762	952,909	6,182,671
Balance as at 31 December 2008	<u>6,600,000</u>	<u>7,080,376</u>	<u>82,288</u>	<u>7,816,151</u>	<u>21,578,815</u>	<u>1,007,031</u>	<u>22,585,846</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	-	-	(49,143)	-	(49,143)	47,490	(1,653)
Disposal of Subsidiary	-	-	-	-	-	(107,019)	(107,019)
Dilution of Subsidiary	-	-	-	-	-	(11,967)	(11,967)
Net profit for the period	-	-	-	313,288	313,288	(236,972)	76,316
Balance as at 31 December 2007	<u>4,400,000</u>	<u>5,458,867</u>	<u>(69,652)</u>	<u>2,586,389</u>	<u>12,375,604</u>	<u>33,096</u>	<u>12,408,700</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 FOURTH QUARTER ENDED 31 DECEMBER 2008
(The figures have not been audited)

	QUARTER ENDED 31.12.2008 RM	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.12.2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,278,460	258,678
Adjustment for:		
Depreciation	1,153,602	813,864
Amortisation of prepaid properties lease payments	34,348	33,142
Amortisation of Research & Development costs	445,406	211,746
Allowance for doubtful debts	90,701	43,227
(Gain)/Loss on disposal of subsidiary	(383,786)	25,060
Gain on disposal of associate	(9,479,658)	-
Gain on dilution of interest in subsidiary	-	(88,225)
(Gain)/Loss on disposal of property, plant and equipment	30,319	(116)
Impairment loss on goodwill	-	42,731
Reversal of impairment loss on investment properties	-	(41,065)
Share of loss of associate	75,355	102,465
Unrealised gain on foreign exchange	(3,893)	(17,622)
Interest expense	720,003	610,017
Interest income	(66,078)	(47,788)
Effect of currency translation	4,585	(72,772)
Operating profit before working capital changes	<u>(1,100,636)</u>	<u>1,873,342</u>
Changes in working capital:		
(Increase)/Decrease in inventories	(150,776)	990,722
(Increase)/ Decrease in receivables	2,394,830	1,967,806
Increase/(Decrease) in payables	<u>169,577</u>	<u>(901,762)</u>
Cash used in operations	1,312,995	3,930,108
Tax paid	(130,703)	(66,776)
Interest paid	(720,003)	(610,017)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	<u>462,289</u>	<u>3,253,315</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition)/Disposal of subsidiary	277,068	92,425
(Acquisition)/Disposal of associate	196,081	-
Investment of associate	(497,844)	(102,465)
Purchase of property, plant and equipment	(1,248,053)	(2,158,110)
Investment Property	(373,151)	(280,766)
Proceed from Disposal of property, plant and equipment	9,550	148
Proceed from issue of shares by subsidiary	-	100,000
Development costs	(623,932)	(1,168,301)
Interest received	66,078	47,788
NET CASH USED IN INVESTING ACTIVITIES	<u>(2,194,203)</u>	<u>(3,469,281)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue, net of share issue costs	3,821,509	-
Payment /(net) of finance lease liabilities	(1,798,616)	(1,527,324)
Net repayment of borrowings	(182,932)	(27,279)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>1,839,961</u>	<u>(1,554,603)</u>
Net decrease in cash and cash equivalents	108,047	(1,770,569)
Effect of exchange rate changes	7,336	(49,144)
Cash and cash equivalents at beginning of year	905,941	2,725,654
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2008	<u>1,021,324</u>	<u>905,941</u>
Cash and cash equivalents as at 31 DECEMBER 2008 comprises the following:		
Cash and bank balances	495,768	641,548
Short term deposits with financial institutions	1,213,017	943,462
Bank overdraft	<u>(687,461)</u>	<u>(679,069)</u>
	<u>1,021,324</u>	<u>905,941</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

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

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

10. Segmental Information

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

Geographical segments	Malaysia	Singapore	China	Brunei	Thailand	Total
	RM	RM	RM	RM	RM	RM
Revenue	200,833	620,793	63,048	78,893	-	963,567
Profit/(Loss)						
Before Taxation	(1,424,814)	(480,178)	(166,366)	(2,589)	-	(2,073,947)

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

There were no material events subsequent to the end of the interim period during the current quarter under review.

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 fourth quarter ended 31 December 2008, the Group recorded a revenue of approximately RM0.96 million. This represents a decrease of 57.23% as compared to the revenue achieved in the preceding corresponding quarter of approximately RM2.25 million. The lower revenue was due to lower sales generated in the information and communications technology (“ICT”) services, ICT infrastructure equipment segment and the “Segment Centric Penetration Approach” (“SCPA”) solution segment.

The Group recorded a loss before taxation (“LBT”) of approximately RM2.07 million for the current quarter compared to the PBT of RM38,932 registered in the preceding corresponding quarter. The loss was attributed to higher cost of sales, professional fee, the recognition of loss of the forex and share of loss of associate.

The Group registered a revenue of approximately RM5.86 million for the financial year ended 31 December 2008, representing a 41.24% reduction over the previous year of approximately RM9.98 million. The decrease in revenue was due to the lower sales generated in the “Alliance Marketing” segment, ICT services, ICT infrastructure equipment segment and the SCPA solution segment.

The Group recorded a higher PBT of approximately RM6.28 million compared to RM258,679 registered in the preceding year corresponding period ended 31 December 2007. 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.

The profit after taxation and minority interests (“PATMI”) of the Group was approximately RM5.23 million as compared to RM313,288 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 31 December 2008, the Group recorded a revenue of approximately RM0.96 million, or a decrease of 23.95% from the immediate preceding quarter ended 30 September 2008 of approximately RM1.27 million. The decrease in revenue was attributed to the decrease of the sales of information technology services and ICT infrastructure equipment segment.

The Group recorded a LBT of approximately RM2.07 million as compared to a PBT of approximately RM8.56 million registered in the immediate preceding quarter. The loss was largely due to the higher cost of sales, professional fee, the recognition of loss of the forex, share of loss of associate and provision of the bad debt. The preceding quarter register a high PBT is 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 performance is expected to slow down due to the current global economic downturn. The Group has taken measures to mitigate any negative impact with prudent costs control and in the meantime, the Group will continue to focus on the development, marketing and distribution of its advanced integrated solutions to sustain its revenue.

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	Preceding Year	Current Period To	Preceding Year
	31.12.2008	Corresponding Quarter	Date	Corresponding Period
		31.12.2007	31.12.2008	31.12.2007
	RM	RM	RM	RM
Current taxation	(2,170)	37,191	95,789	182,363

The effective tax rate of the Group for the current quarter and current period to-date are 0.098% and 1.53% respectively which 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 27 February 2009 (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 31 December 2008, the gross proceeds of RM4,290,000 arising from the rights issue exercise undertaken by the Company which was completed on 24 July 2008 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	3,471	319	8.42	Within 18 months	On-going utilisation
(ii) Rights Issue expenses	500	465	35	7	Within 6 months	On-going utilisation
Total	4,290	3,936	354			

23. Borrowings

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

	Current RM'000	Non-Current RM'000	Total RM'000
Secured	2,094	5,975	8,069
Unsecured	-	-	-
Total	2,094	5,975	8,069

The total borrowings of approximately RM8.069 million as at 31 December 2008 include borrowings denominated in foreign currency which is set out as follows:

	SGD'000	RM'000
Singapore Dollars	956	2,300*

Note:

* Equivalent amount based on an exchange rate prevailing as at 31 December 2008 of RM2.4067: 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 27 February 2009 (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
	31.12.2008	Quarter	Date	Period
		31.12.2007	31.12.2008	31.12.2007
Profit attributable to the ordinary equity holders of the parent company (RM)	(2,040,824)	17,812	5,229,762	313,288
Weighted average number of shares	66,000,000	44,000,000	53,677,596	44,000,000
Basic EPS (sen)	(3.09)	0.04	9.74	0.71

b) Diluted

Not applicable