

ASDION BERHAD
(Company No. 590812-D)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2009

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.03.2009 RM	Preceding Year Corresponding Quarter 31.03.2008 RM	Current Period To Date 31.03.2009 RM	Preceding Year Corresponding Period 31.03.2008 RM
Revenue	1,430,513	1,814,321	1,430,513	1,814,321
Cost of sales	(277,520)	(560,799)	(277,520)	(560,799)
Gross profit	<u>1,152,993</u>	<u>1,253,522</u>	<u>1,152,993</u>	<u>1,253,522</u>
Other operating income	84,413	36,862	84,413	36,862
Operating expenses	(1,424,800)	(1,435,381)	(1,424,800)	(1,435,381)
Finance cost	(140,431)	(167,071)	(140,431)	(167,071)
Gain on disposal of subsidiary	-	383,786	-	383,786
Share of profit/(loss) of associates	(161,824)	-	(161,824)	-
Profit before tax	<u>(489,649)</u>	<u>71,718</u>	<u>(489,649)</u>	<u>71,718</u>
Taxation	-	(7,938)	-	(7,938)
Profit for the period	<u><u>(489,649)</u></u>	<u><u>63,780</u></u>	<u><u>(489,649)</u></u>	<u><u>63,780</u></u>
Attributable to:				
Equity holders of the parent company	(471,650)	17,890	(471,650)	17,890
Minority interest	(17,999)	45,890	(17,999)	45,890
	<u><u>(489,649)</u></u>	<u><u>63,780</u></u>	<u><u>(489,649)</u></u>	<u><u>63,780</u></u>
Basic EPS (sen)	(0.71)	0.04	(0.71)	0.04
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 2008 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 2009

(The figures have not been audited)

	Unaudited	Audited
	As at	As at
	31.03.2009	31.12.2008
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	13,578,661	13,307,382
Investment Property	-	-
Software development costs	1,967,303	2,007,081
Deferred tax assets	29,362	29,362
Goodwill on consolidation	33,000	33,000
Investments in associate	8,656,989	8,818,813
	<u>24,265,315</u>	<u>24,195,638</u>
Current assets		
Inventories	551,420	750,551
Trade receivables	4,122,550	4,000,965
Other receivables, deposits and prepayments	836,488	827,392
Taxation recoverable	33,733	30,323
Short term deposits with financial institutions	940,864	1,213,017
Cash and bank balances	282,359	513,021
	<u>6,767,414</u>	<u>7,335,269</u>
TOTAL ASSETS	<u><u>31,032,729</u></u>	<u><u>31,530,907</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	6,600,000	6,600,000
Share premium	7,080,376	7,080,376
Exchange fluctuation reserve	(947,301)	(968,671)
Retained profits	7,378,871	7,850,521
	<u>20,111,946</u>	<u>20,562,226</u>
Minority interest	986,173	1,004,202
Total equity	<u>21,098,119</u>	<u>21,566,428</u>
Non-current liabilities		
Bank term loan	4,555,844	4,555,844
Hire purchase and finance lease	1,416,402	1,416,403
Deferred tax liabilities	154,071	154,071
	<u>6,126,317</u>	<u>6,126,318</u>
Current liabilities		
Trade payables	176,043	220,031
Other payables and accruals	928,451	881,636
Hire purchase and finance lease	626,428	858,243
Short term borrowing	2,077,026	1,877,676
Tax Payable	345	575
	<u>3,808,293</u>	<u>3,838,161</u>
TOTAL EQUITY AND LIABILITIES	<u><u>31,032,729</u></u>	<u><u>31,530,907</u></u>
Net assets per share attributable to ordinary equity holders of the parent company (sen)	30.47	31.15

The unaudited condensed consolidated balance sheets should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2008 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 2009
(The figures have not been audited)

	<----- Attributable to equity holders of the parent ----->						Minority Interest RM	Total Equity RM
	Share capital RM	<----- Non-Distributable ----->		Distributable Retained profits RM	Total RM	RM		
	Share premium RM	Others reserve RM						
Balance as at 1 January 2009	6,600,000	7,080,376	(968,671)	7,850,521	20,562,226	1,004,202	21,566,428	
Arising from translation of foreign currency financial statements	-	-	21,370	-	21,370	(30)	21,340	
Net profit for the period	-	-	-	(471,650)	(471,650)	(17,999)	(489,649)	
Balance as at 31 March 2009	<u>6,600,000</u>	<u>7,080,376</u>	<u>(947,301)</u>	<u>7,378,871</u>	<u>20,111,946</u>	<u>986,173</u>	<u>21,098,119</u>	
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>	

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 2008 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 2009
(The figures have not been audited)

	QUARTER ENDED 31.03.2009 RM	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.03.2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(489,649)	71,718
Adjustment for:		
Depreciation	331,061	309,087
Amortisation of Research & Development costs	137,848	111,351
Share of (Gain)/Loss of associates	161,824	-
Gain on disposal of subsidiary	-	(383,786)
Gain on disposal of property, plant and equipment	(1,424)	-
Property, plant and equipment write off	263	-
Unrealised gain on foreign exchange	-	(2,450)
Interest expense	140,431	167,071
Interest income	(7,041)	(12,722)
Effect of currency translation	694	(44,923)
Operating profit before working capital changes	<u>274,007</u>	<u>215,346</u>
Changes in working capital:		
Increase in inventories	194,445	(87,996)
(Increase)/Decrease in receivables	(133,817)	(179,289)
Increase/(Decrease) in payables	4,763	342,376
Cash used in operations	<u>339,398</u>	<u>290,437</u>
Tax paid	(3,639)	(8,280)
Interest paid	(140,431)	(167,071)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	<u>195,328</u>	<u>115,086</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition)/Disposal of subsidiary	-	287,258
Investment of associate	-	(497,844)
Purchase of property, plant and equipment	(610,516)	(165,495)
Proceed from Disposal of property, plant and equipment	4,642	-
Investment Property	-	(279,262)
Development costs	(98,070)	(113,225)
Interest received	7,041	12,722
NET CASH USED IN INVESTING ACTIVITIES	<u>(696,903)</u>	<u>(755,847)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceed / (repayment) of finance lease liabilities	(231,816)	(126,998)
Net proceed / (repayment) of trade finance	291,079	165,331
Net proceed / (repayment) of borrowings/loan	(91,730)	(26,289)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>(32,467)</u>	<u>12,044</u>
Net decrease in cash and cash equivalents	(534,042)	(628,717)
Cash and cash equivalents at beginning of year	1,038,577	905,941
CASH AND CASH EQUIVALENTS AT 31 MARCH 2009	<u>504,535</u>	<u>277,224</u>
Cash and cash equivalents as at 31 March 2009 comprises the following:		
Cash and bank balances	282,359	175,018
Short term deposits with financial institutions	940,864	777,288
Bank overdraft	(718,688)	(675,082)
	<u>504,535</u>	<u>277,224</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 2008 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 2008. 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 2008.

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 2008.

2. Auditors’ Report

The preceding annual audited consolidated financial statements for the financial year ended 31 December 2008 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 cost less accumulated depreciation and accumulated impairment loss, if any.

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 March 2009 are tabulated below:

Geographical segments	Malaysia	Singapore	China	Brunei	Thailand	Total
	RM	RM	RM	RM	RM	RM
Revenue	1,078,085	303,124	49,304	-	-	1,430,513
Profit/(Loss) Before Taxation	(361,147)	(53,933)	(72,641)	(1,928)	-	(489,649)

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 first quarter ended 31 March 2009, the Group recorded revenue of approximately RM1.43 million. This represents a decrease of 21.15% as compared to the revenue achieved in the preceding corresponding quarter of approximately RM1.81 million. The lower revenue was due to lower sales generated in the information and communications technology (“ICT”) services and ICT infrastructure equipment.

The Group recorded a loss before taxation (“LBT”) of approximately RM0.49 million for the current quarter compared to the profit before taxation (“PBT”) of RM71,718 registered in the preceding corresponding quarter. The loss was attributed to lower revenue and share of loss of associate.

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

For the current quarter ended 31 March 2009, the Group’s revenue was approximately 48.46% higher than the immediate preceding quarter ended 31 December 2008. The increase in revenue was attributed to the increase of the sales of information technology services and ICT infrastructure equipment segment.

The Group recorded a LBT of approximately RM0.49 million as compared to a LBT of approximately RM2.07 million registered in the immediate preceding quarter. The reduction of the loss for the current quarter as compared to the immediate preceding quarter is in-line with improved revenue and also the decrease of the operating expenses.

17. Prospects for the Current Financial Year

With the prospects for a full-fledged economy recovery in 2009 are still dim given weak domestic demand and the fragile state of overseas markets in the 1st quarter of 2009, the Group foresees deteriorating market conditions and greater challenges ahead in the financial year ending 31 December 2009. In response to the uncertain economic situation, the company will continue to adopt measures focusing on stringent cost control, continuous improvements in the Group’s operation and close monitoring of staff performance.

The company will continue to deploy appropriate strategies to strengthen the sales and marketing force and will leverage on our technical expertise to penetrate further and widen the Group’s market coverage.

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 31.03.2009	Preceding Year Corresponding Quarter 31.03.2008	Current Period To Date 31.03.2009	Preceding Year Corresponding Period 31.03.2008
	RM	RM	RM	RM
Current taxation	-	7,938	-	7,938

The Group's do not required to do the provision for taxation for the current quarter and current period to-date as the Group is making a losses for current quarter.

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 May 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 March 2009, 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	3,822#	(32)	0.83	Within 18 months	Completed
(ii) Rights Issue expenses	500	468#	32-	6.30	Within 6 months	Completed
Total	4,290	4,290	-			

The excess of RM31,509 allocated for rights issue listing expenses was utilised for working capital purposes.

All the rights issue proceeds has been fully utilised as at 31 March 2009.

23. Borrowings

The total borrowings of the Group as at 31 March 2009 are as follows:

	Current RM'000	Non-Current RM'000	Total RM'000
Secured	2,704	5,972	8,676
Unsecured	-	-	-
Total	2,704	5,972	8,676

The total borrowings of approximately RM8,676 million as at 31 March 2009 include borrowings denominated in foreign currency which is set out as follows:

	SGD'000	RM'000
Singapore Dollars	1,339	3,222*

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 28 May 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
	31.03.2009	Quarter	Date	Period
		31.03.2008	31.03.2009	31.03.2008
Profit attributable to the ordinary equity holders of the parent company (RM)	(471,650)	17,890	(471,650)	17,890
Weighted average number of shares	66,000,000	44,000,000	66,000,000	44,000,000
Basic EPS (sen)	(0.71)	0.04	(0.71)	0.04

b) Diluted

Not applicable