

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2009**  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.06.2009 RM	Preceding Year Corresponding Quarter 30.06.2008 RM	Current Period To Date 30.06.2009 RM	Preceding Year Corresponding Period 30.06.2008 RM
Revenue	1,519,630	1,819,201	2,950,143	3,633,522
Cost of sales	(458,780)	(484,773)	(736,300)	(1,045,572)
Gross profit	<u>1,060,850</u>	<u>1,334,428</u>	<u>2,213,843</u>	<u>2,587,950</u>
Other operating income	108,915	47,572	193,328	84,434
Operating expenses	(1,436,635)	(1,501,956)	(2,861,435)	(2,937,337)
Finance cost	(124,569)	(209,752)	(265,000)	(376,823)
Gain on disposal of subsidiary	-	-	-	383,786
Share of profit/(loss) of associates	(511,406)	50,150	(673,230)	50,150
Profit before tax	<u>(902,845)</u>	<u>(279,558)</u>	<u>(1,392,494)</u>	<u>(207,840)</u>
Taxation	(715)	(55,328)	(715)	(63,266)
Profit for the period	<u><u>(903,560)</u></u>	<u><u>(334,886)</u></u>	<u><u>(1,393,209)</u></u>	<u><u>(271,106)</u></u>
Attributable to:				
Equity holders of the parent company	(851,351)	(333,957)	(1,323,001)	(316,067)
Minority interest	(52,209)	(929)	(70,208)	44,961
	<u><u>(903,560)</u></u>	<u><u>(334,886)</u></u>	<u><u>(1,393,209)</u></u>	<u><u>(271,106)</u></u>
Basic EPS (sen)	(1.29)	(0.76)	(2.00)	(0.72)
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.

**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009**

(The figures have not been audited)

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.06.2009</b>	<b>31.12.2008</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,392,665	13,307,382
Investment Property	-	-
Software development costs	1,927,525	2,007,081
Deferred tax assets	29,362	29,362
Goodwill on consolidation	33,000	33,000
Investments in associate	8,145,583	8,818,813
	<u>23,528,135</u>	<u>24,195,638</u>
<b>Current assets</b>		
Inventories	720,051	750,551
Trade receivables	4,418,362	4,000,965
Other receivables, deposits and prepayments	912,692	827,392
Taxation recoverable	37,098	30,323
Short term deposits with financial institutions	500,575	1,213,017
Cash and bank balances	400,816	513,021
	<u>6,989,594</u>	<u>7,335,269</u>
<b>TOTAL ASSETS</b>	<u><u>30,517,729</u></u>	<u><u>31,530,907</u></u>
<b>EQUITY AND LIABILITIES</b>		
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	(956,409)	(968,671)
Retained profits	6,527,520	7,850,521
	<u>19,251,487</u>	<u>20,562,226</u>
Minority interest	933,949	1,004,202
<b>Total equity</b>	<u>20,185,436</u>	<u>21,566,428</u>
<b>Non-current liabilities</b>		
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>
<b>Current liabilities</b>		
Trade payables	318,691	220,031
Other payables and accruals	1,334,683	881,636
Hire purchase and finance lease	423,103	858,243
Short term borrowing	2,128,924	1,877,676
Tax Payable	575	575
	<u>4,205,976</u>	<u>3,838,161</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>30,517,729</u></u>	<u><u>31,530,907</u></u>
Net assets per share attributable to ordinary equity holders of the parent company (sen)	29.17	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.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 JUNE 2009

(The figures have not been audited)

	-----> Attributable to equity holders of the parent <----->						Total Equity RM
	Share capital RM	Share premium RM	Others reserve RM	Distributable Retained profits RM	Total RM	Minority Interest 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	-	-	12,262	-	12,262	(45)	12,217
Net profit for the period	-	-	-	(1,323,001)	(1,323,001)	(70,208)	(1,393,209)
Balance as at 30 June 2009	<u>6,600,000</u>	<u>7,080,376</u>	<u>(956,409)</u>	<u>6,527,520</u>	<u>19,251,487</u>	<u>933,949</u>	<u>20,185,436</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	-	-	33,249	-	33,249	(52)	33,197
Net profit for the period	-	-	-	(316,067)	(316,067)	44,961	(271,106)
Balance as at 30 June 2008	<u>4,400,000</u>	<u>5,458,867</u>	<u>(36,403)</u>	<u>2,270,322</u>	<u>12,092,786</u>	<u>78,005</u>	<u>12,170,791</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.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2009**  
(The figures have not been audited)

	<b>QUARTER ENDED</b> <b>30.06.2009</b> <b>RM</b>	<b>PRECEDING YEAR</b> <b>CORRESPONDING</b> <b>QUARTER ENDED</b> <b>30.06.2008</b> <b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(1,392,494)	(207,840)
Adjustment for:		
Depreciation	668,046	608,528
Amortisation of Research & Development costs	275,696	222,703
Share of (Gain)/Loss of associates	673,230	(50,150)
(Gain)/Loss on disposal of subsidiary	-	(383,786)
(Gain)/Loss on disposal of property, plant and equipment	(1,424)	16,106
Property, plant and equipment write off	263	-
Unrealised gain on foreign exchange	-	(2,450)
Allowance for doubtful debts	5,403	-
Interest expense	265,000	376,823
Interest income	(13,056)	(24,526)
Effect of currency translation	(2,477)	26,468
Operating profit before working capital changes	<u>478,187</u>	<u>581,876</u>
Changes in working capital:		
Increase in inventories	26,648	(138,278)
( Increase)/Decrease in receivables	(511,095)	155,703
Increase/(Decrease) in payables	<u>549,362</u>	<u>371,442</u>
Cash used in operations	543,102	970,743
Tax paid	(7,490)	(59,498)
Interest paid	<u>(265,000)</u>	<u>(376,823)</u>
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	<u>270,612</u>	<u>534,422</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Acquisition)/Disposal of subsidiary	-	287,258
Investment of associate	-	(497,844)
Purchase of property, plant and equipment	(762,376)	(210,731)
Proceed from Disposal of property, plant and equipment	4,642	3,500
Investment Property	-	(279,262)
Development costs	(196,140)	(282,628)
Interest received	13,056	24,526
NET CASH USED IN INVESTING ACTIVITIES	<u>(940,818)</u>	<u>(955,181)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceed / (repayment) of finance lease liabilities	(414,111)	(505,523)
Net proceed / (repayment) of trade finance	596,863	160,350
Net proceed / (repayment) of borrowings/loan	(360,756)	46,090
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>(178,004)</u>	<u>(299,083)</u>
<b>Net decrease in cash and cash equivalents</b>	(848,210)	(719,842)
Cash and cash equivalents at beginning of year	<u>1,038,577</u>	<u>905,941</u>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE 2009</b>	<u>190,367</u>	<u>186,099</u>
<b>Cash and cash equivalents as at 30 June 2009 comprises the following:</b>		
Cash and bank balances	400,816	173,227
Short term deposits with financial institutions	500,575	692,595
Bank overdraft	<u>(711,024)</u>	<u>(679,723)</u>
	<u>190,367</u>	<u>186,099</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 30 June 2009 are tabulated below:

<b>Geographical segments</b>	<b>Malaysia</b>	<b>Singapore</b>	<b>China</b>	<b>Brunei</b>	<b>United Kingdom #</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	<b>1,140,191</b>	<b>329,000</b>	<b>50,439</b>	<b>-</b>	<b>N.A</b>	<b>1,519,630</b>
Profit/(Loss) Before Taxation	<b>(253,489)</b>	<b>(45,955)</b>	<b>(89,985)</b>	<b>(2,010)</b>	<b>(511,406)</b>	<b>(902,845)</b>

*#associate company*

**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 Current Quarter and Year-to-date**

For the second quarter ended 30 June 2009, the Group recorded revenue of approximately RM1.52 million. While this is a decline of 16.47% as compared to the revenue achieved in the preceding corresponding quarter of approximately RM1.82 million, there is an improvement of 6.23% compared to revenue of RM1.43 million recorded in the immediate preceding first quarter ended 31 March 2009. The lower revenue was due to lower sales generated in the “Segment Centric Penetration Approach” (“SCPA”) solution segment, Alliance Marketing segment and Information Technology (“IT”) services.

The Group recorded a LBT of approximately RM0.90 million for the current quarter as compared to the immediate preceding quarter of a LBT of RM0.49 million. The higher loss was largely attributed to share of loss of associate.

For the six (6) months period ended 30 June 2009, the Group recorded a revenue of approximately RM2.95 million with a LBT of approximately RM1.39 million as compared to the revenue of approximately RM3.63 million and a LBT of RM0.21 million registered in the preceding corresponding periods. The decline reflects the prevailing economic conditions presently. Nevertheless the Group believes the market condition is improving as reflected in the improvement of revenue registered in the current quarter.

**16. Comparison between the Current Quarter and the Immediate Preceding Quarter**

For the current quarter ended 30 June 2009, the Group’s revenue was approximately RM1.52 million, representing a increase of 6.23% compared to revenue of approximately RM1.43 million recorded in the immediate preceding quarter ended 31 March 2009. The slight increase in revenue was largely attributed to the increase of the sales of ICT infrastructure equipment segment.

The Group recorded a LBT of approximately RM0.90 million as compared to a LBT of approximately RM0.49 million registered in the immediate preceding quarter. The loss was mainly due to the share of loss of associate higher cost of sales.

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

The Group will continue to focus on its core business activities and deploy appropriate sales and marketing strategies to further penetrate the Group’s market coverage. The Directors of AB anticipate that the performance for the remaining quarter of the fiscal year 2009 will remain stable with the ongoing efforts of the Group focus on its business activities and continue to adopt measures focusing on stringent cost control.

**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 30.06.2009	Preceding Year Corresponding Quarter 30.06.2008	Current Period To Date 30.06.2009	Preceding Year Corresponding Period 30.06.2008
	RM	RM	RM	RM
Current taxation	715	55,328	715	63,266

The effective tax rate of the Group for the current quarter and current period to-date is higher than the statutory tax rate of 25% as certain expenses which are not deductible for tax purposes.

## 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 August 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

Not Applicable.

**23. Borrowings**

The total borrowings of the Group as at 30 June 2009 are as follows:

	<b>Current RM'000</b>	<b>Non-Current RM'000</b>	<b>Total RM'000</b>
Secured	2,552	5,972	8,524
Unsecured	-	-	-
<b>Total</b>	<b>2,552</b>	<b>5,972</b>	<b>8,524</b>

The total borrowings of approximately RM8,524 million as at 30 June 2009 include borrowings denominated in foreign currency which is set out as follows:

	<b>SGD'000</b>	<b>RM'000</b>
Singapore Dollars	1,447	3,481*

*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 August 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 Quarter 30.06.2009	Preceding Year Corresponding Quarter 30.06.2008	Current Period To Date 30.06.2009	Preceding Year Corresponding Period 30.06.2008
Profit attributable to the ordinary equity holders of the parent company (RM)	(851,351)	(333,957)	(1,323,001)	(316,067)
Weighted average number of shares	66,000,000	44,000,000	66,000,000	44,000,000
Basic EPS (sen)	(1.29)	(0.76)	(2.00)	(0.72)

**b) Diluted**

Not applicable