

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2009**  
 (The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2009 RM	Preceding Year Corresponding Quarter 31.12.2008 RM	Current Period To Date 31.12.2009 RM	Preceding Year Corresponding Period 31.12.2008 RM
Revenue	1,915,007	963,567	6,437,324	5,771,652
Cost of sales	(1,467,237)	(837,041)	(2,810,596)	(2,308,508)
Gross profit	<u>447,770</u>	<u>126,526</u>	<u>3,626,728</u>	<u>3,463,144</u>
Other operating income	542,406	66,749	831,308	634,646
Operating expenses	(1,854,651)	(2,033,943)	(6,143,412)	(6,706,644)
Finance cost	(118,046)	(151,219)	(518,868)	(607,021)
Gain on disposal of subsidiary	-	(6,705)	-	9,486,364
Share of profit/(loss) of associates	(445,083)	(75,355)	(1,351,144)	(9,636)
Profit before tax	<u>(1,427,604)</u>	<u>(2,073,947)</u>	<u>(3,555,388)</u>	<u>6,260,853</u>
Taxation	(52,150)	2,170	(54,147)	(46,641)
Profit for the period	<u><u>(1,479,754)</u></u>	<u><u>(2,071,777)</u></u>	<u><u>(3,609,535)</u></u>	<u><u>6,214,212</u></u>
Attributable to:				
Equity holders of the parent company	(1,431,949)	(2,040,824)	(3,467,098)	5,264,132
Minority interest	(47,804)	(30,953)	(142,437)	950,080
	<u><u>(1,479,754)</u></u>	<u><u>(2,071,777)</u></u>	<u><u>(3,609,535)</u></u>	<u><u>6,214,212</u></u>
Basic EPS (sen)	(2.17)	(3.09)	(5.25)	8.80
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 31 DECEMBER 2009**

(The figures have not been audited)

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,182,764	13,307,382
Software development costs	1,849,200	2,007,081
Deferred tax assets	29,769	29,362
Goodwill on consolidation	33,000	33,000
Investments in associate	7,467,669	8,818,813
	<u>20,562,402</u>	<u>24,195,638</u>
<b>Current assets</b>		
Inventories	354,081	750,551
Trade receivables	2,461,523	4,000,965
Other receivables, deposits and prepayments	1,997,891	827,392
Taxation recoverable	31,776	30,323
Short term deposits with financial institutions	522,945	1,213,017
Property Available for sales	824,383	-
Cash and bank balances	218,327	513,021
	<u>6,410,926</u>	<u>7,335,269</u>
<b>TOTAL ASSETS</b>	<u><u>26,973,328</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	(872,836)	(968,671)
Retained profits	4,383,423	7,850,521
	<u>17,190,963</u>	<u>20,562,226</u>
Minority interest	862,069	1,004,202
<b>Total equity</b>	<u>18,053,032</u>	<u>21,566,428</u>
<b>Non-current liabilities</b>		
Bank term loan	4,009,211	4,555,844
Hire purchase and finance lease	599,649	1,416,403
Deferred tax liabilities	194,224	154,071
	<u>4,803,084</u>	<u>6,126,318</u>
<b>Current liabilities</b>		
Trade payables	94,455	220,031
Other payables and accruals	1,304,744	881,636
Hire purchase and finance lease	837,766	858,243
Short term borrowing	1,863,214	1,877,676
Tax Payable	17,033	575
	<u>4,117,212</u>	<u>3,838,161</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>26,973,328</u></u>	<u><u>31,530,907</u></u>
Net assets per share attributable to ordinary equity holders of the parent company (sen)	26.05	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 THIRD QUARTER ENDED 31 DECEMBER 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	-	-	95,835	-	95,835	304	96,139
Net profit for the period	-	-	-	(3,467,098)	(3,467,098)	(142,437)	(3,609,535)
Balance as at 31 December 2009	<u>6,600,000</u>	<u>7,080,376</u>	<u>(872,836)</u>	<u>4,383,423</u>	<u>17,190,963</u>	<u>862,069</u>	<u>18,053,032</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	-	-	(899,019)	-	(899,019)	21,026	(877,993)
Right Issue, net of share issue cost	1,100,000	3,190,000	-	-	4,290,000	-	4,290,000
Bonus Issue, net of share issue cost	1,100,000	(1,100,000)	-	-	-	-	-
Share issue expenses	-	(468,491)	-	-	(468,491)	-	(468,491)
Net profit for the period	-	-	-	5,264,132	5,264,132	950,080	6,214,212
Balance as at 31 December 2008	<u>6,600,000</u>	<u>7,080,376</u>	<u>(968,671)</u>	<u>7,850,521</u>	<u>20,562,226</u>	<u>1,004,202</u>	<u>21,566,428</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 THIRD QUARTER ENDED 31 DECEMBER 2009**  
 (The figures have not been audited)

	QUARTER ENDED 31.12.2009 RM	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.12.2008 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(3,555,388)	6,260,853
Adjustment for:		
Depreciation	1,303,162	1,187,950
Amortisation of Research & Development costs	551,391	445,406
Share of (Gain)/Loss of associates	1,351,144	9,636
(Gain)/Loss on disposal of subsidiary	-	(383,786)
(Gain)/Loss on disposal of associates	-	(9,486,364)
(Gain)/Loss on disposal of property, plant and equipment	(431,280)	30,319
Property, plant and equipment write off	6	9,534
Unrealised gain on foreign exchange	-	137,714
Allowance for doubtful debts	255,026	90,701
Interest expense	518,868	607,021
Interest income	(17,559)	(66,082)
Operating profit before working capital changes	<u>(24,630)</u>	<u>(1,157,098)</u>
Changes in working capital:		
( Increase)/Decrease in inventories	401,617	(175,834)
( Increase)/Decrease in receivables	375,166	2,376,771
Increase/(Decrease) in payables	290,231	(81,105)
Cash used in operations	<u>1,042,384</u>	<u>962,734</u>
Tax paid	859	(141,884)
Interest paid	(518,868)	(607,021)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	<u>524,375</u>	<u>213,829</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment of associate	-	(321,098)
Purchase of property, plant and equipment	(815,106)	(1,593,163)
Proceed from Disposal of property, plant and equipment	1,283,147	10,166
Proceed from Disposal of associates	-	202,787
Proceed from Disposal of subsidiaries	-	255,144
Development costs	(393,510)	(529,928)
Interest received	17,559	27,354
NET CASH USED IN INVESTING ACTIVITIES	<u>92,090</u>	<u>(1,948,738)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceed / (repayment) of Right Issue, net of share issue costs	-	3,821,509
Net proceed / (repayment) of finance lease liabilities	(837,716)	(1,798,603)
Net proceed / (repayment) of trade finance	(91,854)	266,222
Net proceed / (repayment) of borrowings/loan	(561,286)	(101,932)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>(1,490,856)</u>	<u>2,187,196</u>
<b>Net decrease in cash and cash equivalents</b>	(874,391)	452,287
Cash and cash equivalents at beginning of year	1,038,577	412,479
Exchange differences	(154,855)	(239,224)
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2009</b>	<u>9,331</u>	<u>625,542</u>
<b>Cash and cash equivalents as at 31 December 2009 comprises the following:</b>		
Cash and bank balances	218,327	513,021
Short term deposits with financial institutions	522,945	799,982
Bank overdraft	(731,941)	(687,461)
	<u>9,331</u>	<u>625,542</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 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE 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 December 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>791,509</b>	<b>1,005,680</b>	<b>117,818</b>	<b>-</b>	<b>N.A</b>	<b>1,915,007</b>
Profit/(Loss) Before Taxation	<b>(1,278,153)</b>	<b>567,161</b>	<b>(102,432)</b>	<b>(7,273)</b>	<b>(606,907)</b>	<b>(1,427,604)</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 ACE Market**

**15. Review of Performance for the Current Quarter and Year-to-date**

For the fourth quarter ended 31 December 2009, the Group continue to record higher revenue of approximately RM1.92 million, an increase of 98.74% as compared to the revenue achieved in the 2008 fourth quarter of approximately RM0.96 million. The increase of the revenue mainly attribute to the sales generated in the Customer relationship management (“CRM”) data services segment.

The Group recorded a lower loss before tax (“LBT”) of approximately RM1.48 million for the current quarter as compared to the immediate preceding quarter of a LBT of RM2.07 million. The improved performance is in-line with the Groups’ ongoing efforts to expand and strengthen its core business.

For the FYE 2009, the Group recorded revenue of approximately RM6.44 million with a LBT of approximately RM3.56 million as compared to the revenue of approximately RM5.77 million and a PBT of RM6.26 million recorded in the preceding corresponding year. The approximately 11.53% increase of revenue was attributed to the increase in sales of CRM data services segment. The loss was largely due to the share of loss of associate.

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

For the current quarter ended 31 December 2009, the Group continues to achieve higher revenue of approximately RM1.92 million, representing an increase of 21.81% compared to revenue of approximately RM1.57 million recorded in the immediate preceding quarter ended 30 September 2009. The increase in revenue was mainly attributed to the strengthening of the sales on data services segment and Alliance Marketing segment.

The Group recorded a LBT of approximately RM1.43 million as compared to a LBT of approximately RM0.74 million registered in the immediate preceding quarter. The increase of the loss was mainly due to the share of loss of associate.

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

In view of the competitive market conditions in the ICT industry, the Directors of AB anticipate that the business outlook of the Group for the FYE 2010 to be challenging. 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.

**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 31.12.2009	Preceding Year Corresponding Quarter 31.12.2008	Current Period To Date 31.12.2009	Preceding Year Corresponding Period 31.12.20098
	RM	RM	RM	RM
Current taxation	52,150	(2,170)	54,147	46,641

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

On 23 February, AB announced that Techtron Integrated Systems (S) Pte Ltd ("TIS"), a wholly-owned subsidiary of AB, agreed to the terms of and entered into an Option to Purchase ("OTP") with Mr. Lau Kim Pong (Liu JinPeng), in respect of the proposed disposal of an industrial unit with an estimated floor area of 163 square meters ("Property") in a building known as "The Alexcier" in Singapore for a cash consideration of 520,000 Singapore Dollars ("SGD") ("Sale Price") (equivalent to approximately RM1,255,124 based on an exchange rate of RM2.4137 to SGD1.00). The proposed disposal is expected to be completed within ten (10) weeks from the date of the OTP.

## 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 25 February 2010 (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 December 2009 are as follows:

	<b>Current RM'000</b>	<b>Non-Current RM'000</b>	<b>Total RM'000</b>
Secured	2,701	4,609	7,310
Unsecured	-	-	-
<b>Total</b>	<b>2,701</b>	<b>4,609</b>	<b>7,310</b>

The total borrowings of approximately RM6,472 million as at **31 December 2009** include borrowings denominated in foreign currency which is set out as follows:

	<b>SGD'000</b>	<b>RM'000</b>
Singapore Dollars	1,132	2,762*

Note:

\* Equivalent amount based on an exchange rate prevailing as at 31 December 2009 of RM2.4401: 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 25 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 Quarter 31.12.2009	Preceding Year Corresponding Quarter 31.12.2008	Current Period To Date 31.12.2009	Preceding Year Corresponding Period 31.12.2008
Profit attributable to the ordinary equity holders of the parent company (RM)	(1,431,949)	(2,040,824)	(3,467,099)	5,264,132
Weighted average number of shares	66,000,000	66,000,000	66,000,000	59,821,918
Basic EPS (sen)	(2.17)	(3.09)	(5.25)	8.80

**b) Diluted**

Not applicable