

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.09.2011 RM	Preceding Year Corresponding Quarter 30.09.2010 RM	Current Period To Date 30.09.2011 RM	Preceding Year Corresponding Period 30.09.2010 RM
Revenue	2,368,664	1,925,626	6,362,225	5,579,210
Cost of sales	(1,034,887)	(813,698)	(2,454,560)	(1,987,882)
Gross profit	<u>1,333,777</u>	<u>1,111,928</u>	<u>3,907,665</u>	<u>3,591,328</u>
Other operating income	11,877	16,528	572,986	422,796
Selling and distribution costs	(225,633)	(205,123)	(462,708)	(583,907)
Administrative expenses	(1,108,653)	(1,211,867)	(3,350,258)	(2,913,397)
Other expenses	(283,028)	(474,627)	(881,988)	(1,408,672)
Operating profit	<u>(271,660)</u>	<u>(763,161)</u>	<u>(214,303)</u>	<u>(891,852)</u>
Finance income	574	5,117	2,176	7,636
Finance cost	(80,257)	(80,782)	(241,444)	(281,071)
Share of loss of associates	(386,406)	(337,983)	(1,018,097)	(889,198)
Lost before income tax	<u>(737,749)</u>	<u>(1,176,809)</u>	<u>(1,471,668)</u>	<u>(2,054,485)</u>
Income tax expenses	(1,634)	-	(1,655)	(43,250)
Loss for the period	<u><u>(739,383)</u></u>	<u><u>(1,176,809)</u></u>	<u><u>(1,473,323)</u></u>	<u><u>(2,097,735)</u></u>
Attributable to:				
Equity holders of the parent company	(710,703)	(1,142,195)	(1,371,821)	(2,007,200)
Minority interest	(28,680)	(34,614)	(101,502)	(90,535)
	<u><u>(739,383)</u></u>	<u><u>(1,176,809)</u></u>	<u><u>(1,473,323)</u></u>	<u><u>(2,097,735)</u></u>
Basic EPS (sen)	(1.07)	(1.73)	(2.07)	(3.04)
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 2010 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2011

(The figures have not been audited)

	Unaudited As at 30.09.2011 RM	Audited As at 31.12.2010 RM
ASSETS		
Non-current assets		
Property, plant and equipment	10,621,722	10,258,367
Software development costs	874,615	726,924
Deferred tax assets	44,412	43,185
Goodwill on consolidation	33,000	33,000
Investments in associate	6,070,407	7,583,504
	<u>17,644,156</u>	<u>18,644,980</u>
Current assets		
Inventories	638,839	512,230
Trade receivables	1,215,787	1,636,515
Other receivables, deposits and prepayments	1,123,544	675,515
Taxation recoverable	70,253	77,924
Short term deposits with financial institutions	17,376	37,143
Property Available for sales	-	880,095
Cash and bank balances	478,351	254,348
	<u>3,544,150</u>	<u>4,073,770</u>
TOTAL ASSETS	<u><u>21,188,306</u></u>	<u><u>22,718,750</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	6,642,000	6,642,000
Share premium	7,202,176	7,202,176
Exchange fluctuation reserve	(1,878,058)	(1,883,622)
Capital reserves	990,800	952,927
Retained profits	(856,351)	515,470
	<u>12,100,567</u>	<u>13,428,951</u>
Minority interest	638,657	737,419
Total equity	<u>12,739,224</u>	<u>14,166,370</u>
Non-current liabilities		
Bank term loan	3,953,138	2,455,129
Hire purchase and finance lease	467,628	382,565
Deferred tax liabilities	272,000	272,000
	<u>4,692,766</u>	<u>3,109,694</u>
Current liabilities		
Trade payables	326,003	528,240
Other payables and accruals	2,571,173	2,857,426
Hire purchase and finance lease	188,662	725,461
Short term borrowing	669,722	1,331,361
Tax Payable	756	198
	<u>3,756,316</u>	<u>5,442,686</u>
TOTAL EQUITY AND LIABILITIES	<u><u>21,188,306</u></u>	<u><u>22,718,750</u></u>
Net assets per share attributable to ordinary equity holders of the parent company (sen)	18.22	20.22

The unaudited condensed consolidated balance sheets should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2010 and the accompanying notes attached to this interim financial report.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

(The figures have not been audited)

	Attributable to equity holders of the parent				Distributable Retained profits RM	Total RM	Minority Interest RM	Total Equity RM
	Share capital RM	Share premium RM	Foreign currency translation reserve RM	Capital reserve RM				
Balance as at 1 January 2011	6,642,000	7,202,176	(1,883,622)	952,927	515,470	13,428,951	737,419	14,166,370
Arising from translation of foreign currency financial statements	-	-	5,564	37,873	-	43,437	2,740	46,177
Net profit for the period	-	-	-	-	(1,371,821)	(1,371,821)	(101,502)	(1,473,323)
Balance as at 30 September 2011	<u>6,642,000</u>	<u>7,202,176</u>	<u>(1,878,058)</u>	<u>990,800</u>	<u>(856,351)</u>	<u>12,100,567</u>	<u>638,657</u>	<u>12,739,224</u>
Balance as at 1 January 2010	6,600,000	7,080,376	(16,169)	-	4,313,945	17,978,152	829,296	18,807,448
Arising from translation of foreign currency financial statements	-	-	(48,962)	-	-	(48,962)	14,142	(34,820)
Net profit for the period	-	-	-	-	(2,007,200)	(2,007,200)	(90,535)	(2,097,735)
Balance as at 30 September 2010	<u>6,600,000</u>	<u>7,080,376</u>	<u>(65,131)</u>	<u>-</u>	<u>2,306,745</u>	<u>15,921,990</u>	<u>752,903</u>	<u>16,674,893</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 2010 and the accompanying notes attached to this interim financial report.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR PERIOD
 FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011**
 (The figures have not been audited)

	QUARTER ENDED	PRECEDING YEAR
	30.09.2011	CORRESPONDING
	RM	QUARTER ENDED
		30.09.2010
		RM
Cash flow from operating activities		
Profit before taxation	(1,471,668)	(2,054,485)
Non cash adjustment		
Depreciation of property, plant and equipment	734,913	881,866
Amortisation of research & development costs	133,509	472,570
Share of (Gain)/Loss of associates	1,018,097	889,198
(Gain)/Loss on disposal of property, plant and equipment	(534,042)	(321,272)
Property, plant and equipment write off	13,366	-
Allowance for doubtful debts	-	52,869
Recovery of bad debt	(5,159)	-
Effect of currency translation	-	(27,159)
Operating profit before working capital changes	<u>(110,984)</u>	<u>(106,413)</u>
Changes in working capital:		
(Increase)/Decrease in inventories	(117,614)	(538,621)
(Increase)/Decrease in receivables	(4,894)	1,301,058
Increase/(Decrease) in payables	<u>(527,871)</u>	<u>1,765,233</u>
Cash used in operations	(761,363)	2,421,257
Finance income	(2,176)	(7,636)
Finance costs	241,444	281,071
Interest received	2,176	7,636
Income tax refund/(paid)	<u>6,573</u>	<u>(74,205)</u>
Net cash flows from/(used in) operating activities	<u>(513,346)</u>	<u>2,628,123</u>
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	-	(499,188)
Purchase of property, plant and equipment	(1,096,407)	(425,078)
Proceed from Disposal of property, plant and equipment	1,475,762	2,283,251
Proceed from Disposal of associates	495,000	-
Development costs	<u>(281,200)</u>	<u>(289,199)</u>
Net cash used in investing activities	<u>593,155</u>	<u>1,069,786</u>
Cash flows from financing activities		
Proceed from finance lease	60,000	84,000
Repayment of finance lease	(451,738)	(236,272)
Proceed from trade finance	739,963	144,101
Repayment of trade finance	(649,900)	(555,135)
Proceed from of borrowings	1,737,307	76,773
Repayment of borrowings	(934,481)	(2,286,870)
Interest paid	<u>(241,444)</u>	<u>(281,071)</u>
Net cash generated from financing activities	<u>259,707</u>	<u>(3,054,474)</u>
Net decrease in cash and cash equivalents	339,516	643,435
Cash and cash equivalents at beginning of year	148,799	(510,438)
Exchange differences	<u>(59,596)</u>	<u>84,665</u>
Cash and cash equivalents at 30 SEPTEMBER	<u>428,719</u>	<u>217,662</u>
Cash and cash equivalents as at 30 SEPTEMBER		
comprises the following:		
Cash and bank balances	478,351	238,722
Short term deposits with financial institutions	17,376	41,330
Bank overdraft	<u>(49,632)</u>	<u>(21,060)</u>
	446,095	258,992
Less: Short term deposits pledged	<u>(17,376)</u>	<u>(41,330)</u>
	<u>428,719</u>	<u>217,662</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 2010 and the accompanying notes attached to this interim financial report.

ASDION BERHAD (Company No: 590812-D) (“Asdion” or “Company”)

Quarterly report on unaudited consolidated results for the third quarter ended 30 September 2011

NOTES TO INTERIM FINANCIAL REPORT

PART A – Explanatory Notes Pursuant to Financial Reporting Standard 134 (“FRS 134”)

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Financial Reporting Standard ("FRS")134 - Interim Financial Reporting and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Securities Exchange") for the ACE Market, and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2010. The accounting policies and methods of computation adopted by the Group in the interim unaudited financial statements are consistent with those adopted for the financial year ended 31 December 2010.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2010, as well as the new/revised standards mandatory for annual periods beginning on or after 1 January 2011.

3. Auditors’ Report

The auditors’ report on the financial statements for the financial year ended 31 December 2010 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The operations of the Group were not affected by any seasonal/cyclical factors during the current quarter under review.

5. 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.

6. 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.

7. 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.

8. Dividends Paid

There were no dividends paid and/or proposed during the current quarter under review.

9. 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.

10. Changes in the Composition of the Group

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

11. Segmental Information

Business segment information has not been prepared as all the Group's revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and amortisation of development expenditure are mainly confined to one business segment.. The Group's business segment is primarily within the information, communication and technology sector.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items, if any.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

For management purposes, the Group is organised into business units based on its geographical locations, notably Malaysia, Singapore, Brunei and China.

Period Ended	MALAYSIA RM	SINGAPORE RM	CHINA RM	BRUNEI RM	GROUP RM
30 September 2011					
Revenue					
External revenue	1,494,911	415,066	450,489	8,198	2,368,664
Inter-segment revenue	194,379	332,712	-	-	527,091
	1,689,290	747,778	450,489	8,198	2,895,755
Adjustments and eliminations					(527,091)
Consolidated revenue					2,368,664
Results					
Segment results	(128,408)	(261,962)	330,099	760	(59,510)
Interest income	318	-	256	-	574
Finance costs	(61,357)	(18,900)	-	-	(80,257)
Depreciation of property, plant and equipment	(234,971)	(6,025)	(2,266)	-	(243,262)
Amortisation of development costs	(44,503)	-	-	-	(44,503)
Other material income	5,801	6,076	-	-	11,877
Other non-cash and material items of expenses	63,801	-	(62)	-	63,739
	(399,319)	(280,811)	328,027	760	(351,343)
Share of loss in an associate					(386,406)
Income tax expense					(1,634)
Consolidated loss after taxation					(739,383)

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

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

On 20 September 2011, Asdion Exim (Shanghai) Co. Ltd (“AES”), a wholly owned subsidiary of Asdion Software Pte Ltd; which is a 97% owned subsidiary of Techtron Integrated Systems (S) Pte Ltd; which in turn is a wholly-owned subsidiary of AB; announced that AES had on 20 September 2011 signed a contract with Synergy Technology & Engineering (Shanghai) Co. Ltd for a project known as ‘Hua Min Sofitel Hotel in Shanghai’ for the supply and commissioning of hotel room control system ("Project").

The contract sum for the Project is 6,300,000 Chinese Renminbi (“CNY”) (approximately Ringgit Malaysia : Three Million Ninety Six Thousand And Two Hundred Eighty only based on the exchange rate of RM1.00 to 2.0347CNY as at 20 September 2011).

13. 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.

14. Capital Commitments

The Group has no material capital commitments during the current quarter under review.

15. 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

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

For the third quarter ended 30 September 2011, the Group continues to record improvement of revenue of approximately RM2.37 million, an increase of 23% as compared to the revenue achieved in the 2010 third quarter of approximately RM1.93 million. The revenue for the Year-to-date ended 30 September 2011 also recorded improvement of 14.03% to approximately RM6.36 million as compared to the same period last year of approximately RM5.58 millions. The increase of the revenue was attributed to the continuous improvement of Hospitality Solution segment and the sales of system project from China..

Inline with the Group's continual revenue growth, the consolidation of Group's account has seen a significant improvement of 28.37% on its loss before taxation ("LBT") of RM1.47 million for the 3 cumulative quarters ended 30 September 2011 as compared to a LBT of RM2.05 million to the same period last year. The LBT of RM1.47 million was mostly attributed by associate loss amounting to RM1.02 million.

17. Comparison between the Current Quarter and the Immediate Preceding Quarter

For the current quarter ended 30 September 2011, the Group recorded a revenue of approximately RM2.37 million, representing an increase of 8.7% compared to revenue of approximately RM2.18 million recorded in the immediate preceding quarter ended 30 June 2011.

Meanwhile, the Group recorded a LBT of approximately RM0.74 million as compared to a LBT of approximately RM0.50 million registered in the immediate preceding quarter. The increase of the loss was mainly due to the increase of the selling cost and also the increase of the share of associate loss.

18. Prospects for the Current Financial Year

The Group continues to operate in a very competitive environment in the ICT industry. The Group will continue to focus on its core business segments in particular of the application software as it has show a growth results for the last few months and remaining period of the financial year..

19. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial period to-date.

20. Taxation

Taxation comprises:

	Individual Quarter		Cumulative Quarters	
	Current Quarter	Preceding Year Corresponding Quarter	Current Period To Date	Preceding Year Corresponding Period
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM	RM	RM	RM
Current taxation	1,634	-	1,655	43,250

The taxation for the current quarter and current period to-date is due to the tax under provision from last year..

21. 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.

22. 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.

23. Status of Corporate Proposals and Utilisation of Proceeds**(a) Corporate Proposal**

As at the date of issue this quarterly report, there were no corporate proposals announced but not yet completed.

(b) Utilisation of Proceeds

Not Applicable.

24. Borrowings

Details of the Group's borrowings at 30 September 2011 are as follows:

	Current RM'000		Non-Current RM'000		Total RM'000	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Secured						
- Bank Overdraft	50	21	-	-	50	21
- Trade Finance	408	108	-	-	408	108
- Term loan	212	103	3,953	3,279	4,165	3,382
- Finance Lease and Hire Purchase	188	606	468	673	656	1,279
Unsecured	-	-	-	-	-	-
Total	858	838	4,421	3,952	5,279	4,790

The total borrowings include borrowings denominated in foreign currency which is set out as follows:

	30.09.2011		30.09.2010	
	SGD'000	RM'000	SGD'000	RM'000
Singapore Dollars	562	1,379	243	571

25. 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.

26. Material Litigation

As at the date of issue 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.

27. Dividend

No interim dividend has been declared or paid during the current quarter under review.

28. 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 30.09.2011	Preceding Year Corresponding Quarter 30.09.2010	Current Period To Date 30.09.2011	Preceding Year Corresponding Period 30.09.2010
Profit attributable to the ordinary equity holders of the parent company (RM)	(710,703)	(1,142,195)	(1,371,821)	(2,007,200)
Weighted average number of shares	66,420,000	66,000,000	66,420,000	66,000,000
Basic EPS (sen)	(1.07)	(1.73)	(2.07)	(3.04)

b) Diluted

Not applicable