



**INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM  
FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF  
ASDION BERHAD [Registration number: 200201023149 (590812-D)]  
(Incorporated in Malaysia)**

**Introduction**

We have reviewed the accompanying 30 June 2021 condensed interim financial information of ASDION BERHAD and its subsidiary companies ("the Group") as set out in the accompanying Appendix 1, which we have stamped for purposes of identification, which comprises:

- (a) the condensed consolidated statement of financial position as at 30 June 2021;
- (b) the condensed consolidated statement of profit or loss and other comprehensive income for the 9 months ended 30 June 2021;
- (c) the condensed consolidated statement of cash flows for the 9 months ended 30 June 2021;
- (d) the condensed consolidated statement of changes in equity for the 9 months ended 30 June 2021; and
- (e) explanatory notes to the condensed interim financial statements (our review does not cover Part B of the explanatory notes).

Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with MFRS 134, *Interim Financial Reporting* and IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim consolidated financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM  
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ASDION BERHAD** [Registration number: 200201023149 (590812-D)](continued)  
(Incorporated in Malaysia)

**Material Uncertainty Related to Going Concern**

We draw attention to Note A1.3 of the condensed interim financial statements for the 9 months ended 30 June 2021, which indicates that the Group has prepared its condensed interim financial statements on a going concern basis, notwithstanding that the Group's current liabilities exceeded its current assets by RM6,136,980 and incurred a net loss of RM984,044.

The ability of the Group to operate as going concern is dependent on successful outcome and implementation of the current business plans including progressive uplifting of restriction on travelling, to generate sufficient cash flows in the future to fulfil their obligations as and when they fall due and also successful implementation of the debt settlement plan and proposed private placement. The financial statements of the Group do not include any adjustment relating to the amount and classification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern. In view of the fact that the preparation of the financial statements is on a going concern basis, we consider that these disclosures should be brought to your attention. As stated in Note A1.3, these conditions, along with other matters as set forth in Note A1.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. Our conclusion is not modified in respect of this matter.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2021 is not prepared, in all material respects, in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board in Malaysia, and IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board.



**CAS MALAYSIA PLT**  
[No. (LLP0009918-LCA) & (AF 1476)]  
Chartered Accountants

Date: 30 August 2021

Puchong

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2021 RM	Preceding Year Corresponding Quarter 30.06.2020 RM	Current Year To Date 30.06.2021 RM	Preceding Year Corresponding Period 30.06.2020 RM
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Revenue	1,425,292	2,330,001	4,229,930	3,468,817
Cost of sales	(1,337,918)	(1,988,084)	(3,790,695)	(3,064,231)
<b>Gross profit</b>	<u>87,374</u>	<u>341,917</u>	<u>439,235</u>	<u>404,586</u>
Administrative expenses	(339,229)	(2,953,807)	(1,316,495)	(4,050,550)
Other operating expenses	(645,292)	(302,267)	(871,645)	(1,072,214)
<b>Operating loss</b>	<u>(897,147)</u>	<u>(2,914,157)</u>	<u>(1,748,905)</u>	<u>(4,718,178)</u>
Finance income	-	-	-	2
Other income	981,439	(2,462)	995,530	16,721
Finance cost	(2,488)	(266)	(27,703)	(53,335)
Share in loss of equity-accounted associates	(83,422)	6,503	(201,766)	(11,270)
<b>Loss before taxation</b>	<u>(1,618)</u>	<u>(2,910,382)</u>	<u>(982,844)</u>	<u>(4,766,060)</u>
Taxation	(1,200)	-	(1,200)	-
<b>Loss for the period</b>	<u>(2,818)</u>	<u>(2,910,382)</u>	<u>(984,044)</u>	<u>(4,766,060)</u>
Other comprehensive income:				
Exchange difference on translation of foreign operation	-	-	-	-
Revaluation of land and building	-	-	-	-
<b>Total comprehensive expense for the period</b>	<u>(2,818)</u>	<u>(2,910,382)</u>	<u>(984,044)</u>	<u>(4,766,060)</u>
Loss for the period attributable to:				
Equity holders of the Company	(2,818)	(2,072,780)	(960,898)	(3,863,458)
Non-controlling interests	-	(837,602)	(23,146)	(902,602)
<b>Loss for the period</b>	<u>(2,818)</u>	<u>(2,910,382)</u>	<u>(984,044)</u>	<u>(4,766,060)</u>
Total comprehensive loss attributable to:				
Equity holders of the Company	(2,818)	(2,072,780)	(960,898)	(3,863,458)
Non-controlling interests	-	(837,602)	(23,146)	(902,602)
<b>Total comprehensive expense for the period</b>	<u>(2,818)</u>	<u>(2,910,382)</u>	<u>(984,044)</u>	<u>(4,766,060)</u>
Basic EPS (sen)	(0.00)	(1.62)	(0.75)	(3.02)
Diluted EPS (sen)	N/A	N/A	N/A	N/A
Note:				

The unaudited Consolidated Financial Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2020 and the accompanying explanatory notes attached to be unaudited financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Unaudited As at 30.06.2021 RM	Audited As at 30.09.2020 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	47,196	104,693
Investment property	2,500,000	2,500,000
Right-of-use assets	193,643	258,182
Investment in associate	792,333	994,099
Other investment	1,212,763	1,912,763
Goodwill on consolidation	4,247,351	4,247,351
	<u>8,993,286</u>	<u>10,017,088</u>
<b>Current assets</b>		
Trade receivables	781,707	504,020
Other receivables, deposits and prepayments	4,437,138	3,708,843
Tax recoverable	4,952	4,952
Fixed deposits with a licensed banks	139,822	138,149
Cash and bank balances	70,604	123,122
	<u>5,434,223</u>	<u>4,479,086</u>
<b>TOTAL ASSETS</b>	<u>14,427,509</u>	<u>14,496,174</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	3,500,000	3,500,000
Redeemable Convertible Preference Shares ("RCPS")	2,700,000	2,700,000
Accumulated losses	(3,514,338)	(2,236,771)
	<u>2,685,662</u>	<u>3,963,229</u>
Non-controlling interests	-	206,480
<b>Total equity</b>	<u>2,685,662</u>	<u>4,169,709</u>
<b>Non-current liabilities</b>		
Lease liabilities	150,644	187,023
Deferred taxation	20,000	20,000
	<u>170,644</u>	<u>207,023</u>
<b>Current liabilities</b>		
Trade payables	1,009,431	1,134,371
Other payables and accruals	9,536,806	7,639,924
Lease Liabilities	842,551	1,162,732
Tax payable	182,415	182,415
	<u>11,571,203</u>	<u>10,119,442</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>14,427,509</u>	<u>14,496,174</u>
Net assets per share attributable to ordinary equity holders of the parent company (sen)	2.10	3.10

The unaudited Consolidated Financial Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2020 and the accompanying explanatory notes attached to be unaudited financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR FINANCIAL PERIOD ENDED 30 JUNE 2021**
**APPENDIX I**

← Attributable to owners of the Company →  
 ← Non-distributable →

	Share capital RM	RCFS RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total Equity RM
<b>Unaudited</b>						
<b>9 months period ended 30 June 2021</b>						
Balance as at 1 October 2020	3,500,000	2,700,000	(2,236,771)	3,963,229	206,480	4,169,709
<u>Transactions with owners:-</u>						
Effect of changes in shareholding in subsidiary company	-	-	(316,669)	(316,669)	(183,334)	(500,003)
Total transactions with owners	-	-	(316,669)	(316,669)	(183,334)	(500,003)
<u>Other comprehensive income</u>						
Loss for the period	-	-	(960,898)	(960,898)	(23,146)	(984,044)
Total comprehensive expense for the financial period	-	-	(960,898)	(960,898)	(23,146)	(984,044)
Balance as at 30 June 2021	3,500,000	2,700,000	(3,514,338)	2,685,662	-	2,685,662
<b>Unaudited</b>						
<b>9 months period ended 30 June 2020</b>						
Balance as at 1 October 2019	34,264,433	2,700,000	(28,075,861)	8,884,572	(698,872)	8,185,700
<u>Transactions with owners:-</u>						
Capital reduction exercise	(30,764,433)	-	30,764,433	-	-	-
Total transactions with owners	(30,764,433)	-	30,764,433	-	-	-
<u>Other comprehensive income</u>						
Loss for the period	-	-	(3,863,458)	(3,863,458)	(902,602)	(4,766,060)
Total comprehensive expense for the financial period	-	-	(3,863,458)	(3,863,458)	(902,602)	(4,766,060)
Balance as at 30 June 2020	3,500,000	2,700,000	(1,178,886)	5,021,114	(1,601,474)	3,419,640

The unaudited Consolidated Financial Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2020 and the accompanying explanatory notes attached to be unaudited financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
 FOR FINANCIAL PERIOD ENDED 30 JUNE 2021**

	9 MONTHS 30.06.2021 RM Unaudited	9 MONTHS 30.06.2020 RM Unaudited
<b>Cash flow from operating activities</b>		
Loss before taxation	(984,044)	(4,766,060)
Non cash adjustments		
Depreciation of property, plant and equipment	67,838	1,072,214
Right of use asset	64,539	-
Share of profit in equity-accounted associates	201,766	11,270
Impairment of other investment	700,000	-
Provision for doubtful debt for trade and other receivable	37,429	-
Reversal of amount due to director waived	-	1,119,348
Lease liabilities interest	27,703	-
Finance income	(1,673)	(2)
Finance costs	-	53,335
Operating loss before working capital changes	<u>113,558</u>	<u>(2,509,895)</u>
Changes in working capital:		
Increase in receivables and other receivable	(1,043,410)	(499,232)
Increase in payables	1,771,940	3,121,379
Cash from operations	<u>842,088</u>	<u>112,252</u>
Interest received	1,673	2
Interest paid	(19,558)	-
Income tax paid	-	-
<b>Net cash from operating activities</b>	<u>824,203</u>	<u>112,254</u>
<b>Cash flows from investing activities</b>		
Change in fixed deposit with maturity more than 3 months	(1,673)	-
Purchase of plant and equipment	(10,341)	(44,990)
Additional acquisition of subsidiaries	(500,003)	-
<b>Net cash used in investing activities</b>	<u>(512,017)</u>	<u>(44,990)</u>
<b>Cash flows from financing activities</b>		
Repayment of finance lease payables	(364,704)	(30,065)
Interest paid	-	(53,335)
<b>Net cash used in financing activities</b>	<u>(364,704)</u>	<u>(83,400)</u>
<b>Net decrease in cash and cash equivalents</b>	(52,518)	(16,136)
Cash and cash equivalents at beginning of year	123,122	119,611
Exchange differences	-	-
<b>Cash and cash equivalents as at 30 June</b>	<u>70,604</u>	<u>103,475</u>
<b>Cash and cash equivalents as at 30 June comprises the following:</b>		
Cash and bank balances	70,604	103,475
Fixed deposits with a licensed bank	139,822	145,605
	210,426	249,080
Less: Fixed deposits pledged	(139,822)	(145,605)
	<u>70,604</u>	<u>103,475</u>

The unaudited Consolidated Financial Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2020 and the accompanying explanatory notes attached to be unaudited financial statements.



**NOTES TO INTERIM FINANCIAL REPORT****PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)****1. Basis of preparation of financial statement****1.1 Statement of compliance**

These condensed interim financial statements of the Company are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s annual financial statements for the period ended 30 September 2020.

**1.2 Summary of Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 30 September 2020, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations that have become effective on 1 October 2020.

Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible assets
Amendments to MFRS 139	Financial Instruments: Recognition
Amendments to IC Interpretation 12	Service Concession Arrangements
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible assets - Website Costs



**NOTES TO INTERIM FINANCIAL REPORT****PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)****1.2 Summary of Significant Accounting Policies (continued)**

The initial adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company.

**1.3 Fundamental accounting concept**

During the financial year, the Group reported net loss after taxation of RM984,044 (30.09.2020: RM4,015,991) respectively. Further, the Group also had net current liabilities of RM6,136,980 (30.09.2019: RM5,640,356).

The Group's and the Company's financial statements have been prepared as a going concern basis. The ability of the Group to continue as going concern is dependent on successful outcome and implementation of the current business plans including progressive uplifting of restriction on travelling, to generate sufficient cash flows in the future to fulfil their obligations as and when they fall due and also successful implementation of the debt settlement plan and proposed private placement.





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**NOTES TO INTERIM FINANCIAL REPORT****PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)****2. Auditors’ Report**

The auditors have expressed an unqualified opinion with a material uncertainty related to going concern on Group's statutory financial statements for the financial year ended 30 September 2020 in their report dated 29 January 2021.

**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 during the current quarter ended 30 June 2021.

**5. Material Changes in Estimates**

There were no material 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.



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**NOTES TO INTERIM FINANCIAL REPORT**
**PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)**
**9. Changes in the Composition of the Group**

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

**10. Segmental Information**

The segmental analysis of revenue and loss before taxation of the Group as at year-to-date ended 30 June 2021 is tabulated below:

	Logistics Business RM'000	Stevedoring & trucking RM'000	Investment holding RM'000	Elimination	Total RM'000
<b>Revenue</b>					
External revenue	3,910	320	-	-	4,230
Inter Segment - revenue	-	-	-	-	-
Segment revenue	<u>3,910</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>4,230</u>
<b>Result</b>					
Interest income	-	-	1	-	1
Interest expenses	8	19	-	-	27
Depreciation on PPE	12	46	9	-	67
Depreciation on right-of-use assets	65	-	-	-	65
Income tax expense	-	(1)	-	-	(1)
Segmental (loss) / profit after tax	<u>173</u>	<u>(194)</u>	<u>(963)</u>	<u>-</u>	<u>(984)</u>



## NOTES TO INTERIM FINANCIAL REPORT

### PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

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

On 11 of August 2021, Company has held an Extraordinary General Meeting (“EGM”) to obtain shareholders' approval for Resolutions on Proposed Settlement of Debts owing to certain creditors, Proposed Placement of not more than 20% of Asdion's issued shares and Proposed Amendments to the Constitution of Asdion. All Resolutions were duly passed by poll. Subsequently on 20 August 2021, the allotment and issuance of the Irredeemable Convertible Preference Shares (“ICPS”) has been completed as all the conditions precedent in relation to the Debt Settlement have been fulfilled.

#### 13. Contingent Liabilities

	Current Quarter ended 30.06.2021 RM	Financial Year ended 30.09.2020 RM
Corporate guarantee given to licensed leasing house for leasing facility granted to a subsidiary	569,383	569,383
Corporate guarantee given to a licensed bank for banking facility granted to a subsidiary	123,000	123,000
Corporate guarantee given to a third party for rental of machineries facility granted to a subsidiary	469,642	469,642
	<u>1,162,025</u>	<u>1,162,025</u>

#### 14. Capital Commitments

There were no material capital commitments during the current quarter under review.

#### 15. Related Party Transaction

During the current financial year, transaction with related parties of the Group:-

	Current Quarter ended 30.06.2021 RM	Financial Year ended 30.09.2020 RM
Sales to companies in which a Director has interest	4,032,809	354,679
Purchases from a company in which a Director has interest	-	-
	<u>4,032,809</u>	<u>354,679</u>



## NOTES TO INTERIM FINANCIAL REPORT

### PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

#### 15. Related Party Transaction (Continue)

The Director of the Group and of the Company are of the opinion that the related party transaction have been entered into the normal course of business on an arm's length basis and have been established on terms and conditions that are not materially different from those obtainable in transaction with unrelated parties.

#### 16. Review of performance for the quarter ended 30 June 2021 and year-to-date

For the quarter ended 30 June 2021, the Group generated RM1.43 million in revenue. The revenue in the current quarter mainly attributable to the logistics business which has contributed approximately RM2.2 million revenue during current quarter under review.

The Group recorded a loss before taxation ("LBT") of RM0.002 million as at period-to-date ended 30 June 2021. The increase in current year losses was mainly resulted from the slow pace in the business activities in logistics, stevedoring & trucking segment during the COVID-19 outbreak and Movement Control Order ("MCO") period.

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

	3 Months Current Quarter 30.06.2021 RM'000	3 Months Preceding Quarter 30.06.2020 RM'000	Changes	
			Amount RM,000	Percent age %
Revenue	1,425	2,330	(905)	(39)
Gross Profit	87	342	(255)	(75)
Operating loss	(897)	(2,914)	2,017	69
Loss before tax	(2)	(2,910)	2,908	100
Loss after tax	(3)	(2,910)	2907	100
Loss attributable to owners of the Company	(3)	(2,073)	2070	100

The Group revenue of RM1.43 million in current quarter reflected decrease as compared to the revenue of approximately RM2.33 million achieved in the immediate preceding quarter ended 30 June 2020. The decrease was attributed to shipment orders from the customers in the logistics segment is delayed or cancelled due to country lockdown announced by government.

The decrease in loss before tax in current quarter 30 June 2021 was mainly due by adjustment on waiver of the profit guarantee accumulated.

The Group registered a loss before tax of approximately RM0.003 million for the current quarter as compared to the immediate preceding quarter of a loss before tax of RM0.623 million.

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**NOTES TO INTERIM FINANCIAL REPORT**

**PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market (continued)**

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

The Group expects the business environment for current financial year 2021 to be very difficult impacted by the Movement Control Order (“MCO”) period to contain the Covid-19 pandemic. It is expected that even after the MCO is uplifted, the business conditions will take some time before it returns to normalcy. The Management is taking a prudent approach to initiate cost management strategies and exploring other business opportunities to navigate through this economic slowdown and challenging period.

For the period of post Covid-19 pandemic, the Company expect to achieve a slight increase in revenue. The Management will continue to explore potential business expansion and to focus on improving operational efficiencies and monitoring and controlling its operational expenses to achieve improved profitability and sustainable business growth. Furthermore, the Company expects to attain a better financial position with our company’s corporate exercises namely the Proposed Private Placement and Debt Settlement Scheme and getting the support from shareholders.

**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:

	<b>Quarter ended</b>	<b>Year-to-date ended</b>
	<b>30.06.2021</b>	<b>30.9.2020</b>
	<b>RM</b>	<b>RM</b>
Income Tax		
Local	1,200	47,746
Overseas	-	-
Deferred Tax	-	(20,000)
	<u>1,200</u>	<u>27,746</u>

**21. Profits/(Losses) on Sale of Unquoted Investments and/or Properties**

There was no purchase or disposals of unquoted investment and /or properties during the current quarter under review and current period to-date.

**NOTES TO INTERIM FINANCIAL REPORT****PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market (continued)****22. Purchase or Disposal of Quoted Securities**

There was no purchases or disposals of quoted securities by the Group during the current quarter under review.

**23. Status of Corporate Proposals and Utilisation of Proceeds**

There are no corporate proposals during the current quarter under review and current period to-date.

**24. Borrowings**

Details of the Group's borrowings at 30 June 2021 are as follows:

	<b>Current 30.06.2021</b>	<b>Non-Current 30.06.2021</b>	<b>Total 30.06.2021</b>
- Lease liabilities	842,551	150,644	993,195
<b>Total</b>	<b>842,551</b>	<b>150,644</b>	<b>993,195</b>

**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.

## NOTES TO INTERIM FINANCIAL REPORT

### **PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market (continued)**

#### **26. Material Litigation**

There is no material litigation as at the date of the report except the following:-

- (a) As at the date of issue this quarterly report, the Group On 22 October 2015, the subsidiary of the Company - Taz Logistics Sdn Bhd vide its Company's solicitors, initiated legal action ("Legal Matter") against Taz Metals Sdn Bhd and 4 other defendants. whilst against the 1st Defendant, is knowingly receipt of trust properties, the claim against the 1st, 2nd and 3rd Defendants as knowingly assisting the 4th and 5th Defendants to breach their fiduciary duties to Taz Logistics whilst the claim against the 4th and 5th Defendants is for a breach of fiduciary duties towards Taz Logistics.

An interim remedy is sought whereby the appointment of receiver and manager is sought over Taz Metals, save for the announcement made on 29 October 2015, 15 December 2015, 27 January 2016 and 28 January 2016, 29 August 2016, 30 November 2016 and 9 January 2017, 22 February 2017, 10 July 2017, 11 August 2017, 25 October 2017, 1 November 2017, 27 November 2017 and 16 January 2018.

Subsequently on 28 November 2016, the learned High Court Judge has dismissed TAZ Logistics' claim against TAZ Metals and 4 Ors. The Company had on 23 December 2016 filed an appeal to the Court of Appeal against the decision of the High Court.

The Court of Appeal has fixed the matter for Hearing on 29 March 2018, with Written Submissions, Bundle of Authorities, Common Core Bundle and Common Chronology to be filed by 15 March 2018.

On 23th October 2018, the Court of Appeal allowed the Company's appeal with costs of RM100,000.00 in Court of Appeal and High Court. Damages and exemplary damages to be assessed by High Court.

The leave application by the other party was fixed for hearing on 10<sup>th</sup> April 2019 at Federal Court.

On 10<sup>th</sup> April 2019, the Board of Directors of Asdion had announced that the matter was vacated due to a Medical Certificate by the defendant's solicitor. Therefore, the matter is now fixed for hearing on 4 July 2019 at 9.00am at Federal Court, Putrajaya.

The Federal Court has dismissed the Applicants' application for leave with costs of RM15,000-00 each application.

Subsequently, the High Court held a hearing of the application by the Plaintiff for assessment of the damages. The Plaintiff and Defendants filed their affidavits by 31 July 2019 and 21 July 2019. Both parties filed Submissions and Bundle of Authorities on 11 September 2019 and filed Reply to the Submission on 18 September 2019.

**NOTES TO INTERIM FINANCIAL REPORT****PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market (continued)****26. Material Litigation (Continued)**

- (a) The Hearing date on 26 September 2019, the High Court has directed that Plaintiff to file the Supplementary Submissions by 17 October 2019, Defendant to file the reply to the Plaintiff's Supplementary Submissions by 7 November 2019 and Plaintiff to file the reply to the Defendant's Supplementary Submissions in Reply by 21 November 2019.

Subsequently, the next hearing date was fixed on 9 December 2019. High Court has rescheduled the hearing date on 9 January 2020

High Court awarded the following sums as damages against the Defendants for hearing on 9 December 2019, 9 January 2020 and 20 January 2020.

- (1) General Damages of RM4,050,000.00;
- (2) The value of Plant, Machinery and Assets held under trust by Defendant 1, in the value of RM1,003,761.00;
- (3) Exemplary Damages of RM900,000.00;
- (4) Interest at 5% per annum until settlement; and
- (5) Costs of RM15,000.00.

The Court of Appeal has fixed the matter for E-review on 1 April 2020.

Both parties have filed their respective appeals. The Record of Appeal for both parties were been filed on 19 May 2020. Case management hearing was held on 06 July 2020.

A winding-up notice under the Companies Act is being issued.

The Court of Appeal has fixed the matters for Case Management on 19<sup>th</sup> November 2020 and Hearing on 9<sup>th</sup> December 2020.

On 17<sup>th</sup> March 2021, the Company had received the full compensation and this case has been withdrawn and considered fully settled.

- (b) On 3 October 2017, Venice Sanctuary Sdn Bhd ("VSSB"), a wholly owned subsidiary of the Company has filed a writ of summon against Metro Hartamas Sdn Bhd, a debtor ("the Defendant") due to the fact the Defendant failing to settle the outstanding sum amounting to approximately RM335,970.81.

On 3 March 2018, we have received the Revised Notice of Demand to Metro Hartamas and ordered to pay the outstanding amounted RM395,267.00.

The court has further directed that the Defendant to file in Statement of Defence and reply on or before 22 May 2018. And the Court also requested the parties to update on Case Management Date whether there is any chance of settlement.



## NOTES TO INTERIM FINANCIAL REPORT

### **PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market (continued)**

#### **26. Material Litigation (Continued)**

- (b) On 2 July 2018, we have submitted Affidavit in reply for the Summary Judgment case for Venice Sanctuary against Metro Hartamas. We have obtained Summary Judgement against Metro Hartamas on 18 July 2018 for a sum of RM335,970.81 for the services rendered to the Defendants.

On 31 July 2018, the Defendants has filed a Notice of Appeal and hearing dated on 9<sup>th</sup> November 2018. The High Court's decision was fixed at 14<sup>th</sup> January 2019.

On 14<sup>th</sup> January 2019, the Court has dismissed the Defendant's appeal in the High Court and the Sessions Court Summary Judgement remains.

- (c) CD Logistics Sdn Bhd ("Plaintiff") had brought an action against Asdion Logistics Sdn Bhd for services rendered to Asdion.

Sessions Court case between CD Logistics and Asdion Logistics and the Magistrate Court case between Ciriduta Logistics Sdn Bhd and Asdion Logistics, the Plaintiffs has filed Summary Judgment applications against us.

On 31 July 2018, both parties have reached a settlement whereby Asdion shall pay the outstanding debt in amount of RM327,724.84 to the Plaintiff in 6 installments by way of post-dated cheques.

The Plaintiff has agreed to grant an extension for us to deliver the replacement cheques on or before 15<sup>th</sup> November 2018.

On 3<sup>rd</sup> August 2018, the Plaintiffs have withdrawn both the cases with no order to costs and with liberty to file afresh.

The Court had fixed the matter for Case Management on 19 August 2019 and instructed to file the defence by 6 September 2019.

The next hearing date for Case Management was fixed on 2nd December 2019. As refer to Session Court Order dated 2<sup>nd</sup> December 2019, the Plaintiff has issued winding up notice of demand on 14<sup>th</sup> January 2020.

- (d) On 22<sup>nd</sup> October 2019 the Company and its subsidiary, Asdion Project Synergy Sdn Bhd ("APSSB") ("the Defendants") had received a Writ of Summons and Statement of Claim from Desmond Chan & Jeff Law, the solicitors for TCIM Sdn. Bhd. ("Plaintiff").

APSSB is not a major subsidiary of Asdion Berhad. In the event that Company losses the case, the potential liability on the Company and its Group would be RM587,313.84 plus interest of RM4,000.00.

## NOTES TO INTERIM FINANCIAL REPORT

### **PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market (continued)**

#### **26. Material Litigation (Continued)**

- (d) APSSB had filed the Notice of Appeal to the Court of Appeal Putrajaya against the decision of the High Court of Kuala Lumpur and this matter was fixed for E-review on 18 February 2020.

The next Case Management was fixed on 20 April 2020 to file the appeal documents.

Summary judgement for a portion of the claim had been awarded. Case Management for the balance of the claim was fixed for 19 June 2020.

Defendants have filed an appeal to the Court of Appeal for the summary judgment already granted. Case Management has been fixed for 24 June 2020 and was postponed to 7 July 2020.

Under the Case Management on 7<sup>th</sup> July 2020, the main suit matter (the balance sum, after the summary judgement) had been withdrawn by the Plaintiff's solicitor.

On 22 February 2021, Asdion Berhad ("Respondent") received notice of Statutory Demand pursuant to Section 465(1)(e) and 466(1) of the Companies Act by TCIM Sdn Bhd.

- (e) On 10 February 2020 Asdion Berhad ("Respondent") received a winding up petition ("Petition") by Angka-Tan Motor Sdn. Bhd. ("Petitioner").

The petition against the Respondent was due to the Respondent had failed, refused and/or neglected to pay the Hire Purchase outstanding for Petitioner as at 30 June 2019.

The potential liability on the Company and its Group would be RM842,650.00 from 7 May 2019 to the date of full settlement with interest rate at 5% per annum.

The Petition was fixed for Case Management on 4 March 2020 and the Hearing for the Winding-Up Petition was fixed on 14 April 2020.

The matter was fixed for further Case Management on 9 June 2020 and the Hearing on 14 July 2020.

On 14<sup>th</sup> July 2020, Angka-Tan Motor Sdn Bhd and Asdion Berhad have agreed to a full and final settlement and adjourned the matter to 4<sup>th</sup> August 2020.

On 26 January 2021, Angkatan-Tan Motor Sdn Bhd withdrew its winding-up petition against Asdion and the supporting creditor, TC Capital has now substituted itself as the original Petitioner. The Hearing was fixed for 26.02.2021.

On 23 February 2021, TC Capital Resources Sdn Bhd had served an amended Petition to Asdion. The hearing of the Amended Petition fixed for Case Management on 26 February 2021 is vacated. The Case Management was fixed for 16 March 2021 and the hearing of the Amended Petition was fixed on 13 April 2021 at the Kuala Lumpur High Court.

## NOTES TO INTERIM FINANCIAL REPORT

### **PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market (continued)**

#### **27. Material Litigation (Continued)**

- (e) On 13 April 2021, TC Capital Resources Sdn Bhd had receive the company proposed settlement and TC Capital Resources Sdn Bhd had replied to the proposed settlement on 15 April 2021. The Company have completed the payments and TC Capital Resources Sdn Bhd had withdrew the petition on 25 May 2021.

Subsequently on 10 March 2021, TC Capital Resources Sdn Bhd had again served Asdion Project Synergy Sdn Bhd and Asdion with statutory notice pursuant to Sections 465(1)(e) and 466(1)(a) of the CA 2016. The Court has fixed case management before the Registrar on 17 June 2021 to refile the petition for the judgement.

The impact of this action will not have any additional financial and operational impact to the Group.

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**NOTES TO INTERIM FINANCIAL REPORT**

**PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market (continued)**

**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 loss attributable to the shareholders of the Group by the weighted average number of shares during the period.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current Year</b>	<b>Preceding</b>
	<b>Quarter</b>	<b>Year</b>	<b>To Date</b>	<b>Year</b>
	<b>30.06.2021</b>	<b>Corresponding</b>	<b>30.06.2021</b>	<b>Corresponding</b>
		<b>Quarter</b>		<b>To Date</b>
		<b>30.06.2020</b>		<b>30.06.2020</b>
Loss attributable to the owner of the company (RM)	(2,818)	(2,072,780)	(960,898)	(3,863,458)
Weighted average number of shares	127,896,800	127,896,800	127,896,800	127,896,800
Basic EPS (sen)	(0.00)	(1.62)	(0.75)	(3.02)

**b) Diluted**

Not applicable

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**NOTES TO INTERIM FINANCIAL REPORT****PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market (continued)****29. Loss Before Taxation**

Loss before taxation is arrived at after charging / (crediting):

	<b>Quarter ended RM 30.06.2021</b>	<b>Year to date RM 30.9.2020</b>
Depreciation of property, plant & equipment	7,542	188,098
Depreciation of right-of-use assets	21,513	675,095
Interest expense	2,489	79,407
Bad debt written off for trade and other receivable	-	166,587
Impairment loss on other investment	700,000	387,237
Property, plant equipment written off	-	186,131
Provision for doubtful debt for trade and other receivable	37,429	521,987
Share of loss in equity-accounted associates	83,422	(888,133)
Interest income	(1,673)	(124,013)
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