

Privasia Technology Berhad
Company No.825092 - U
(Incorporated In Malaysia)

Interim financial report
for the period ended 31 March 2010

PRIVASIA TECHNOLOGY BHD (825092 - U)
(Incorporated In Malaysia)
Unaudited interim financial statement
For the three months period ended 31 March 2010

Condensed consolidated statement of comprehensive income - unaudited

	Three months ended 31.3.2010 RM	Three months ended 31.3.2009 RM
Revenue	6,498,733	-
Cost of Sales	(4,917,841)	-
Gross profit	<u>1,580,892</u>	<u>-</u>
Other income	87,800	-
Other operating expenses	(1,246,086)	(55,820)
Profit/(Loss) from operations	<u>422,606</u>	<u>(55,820)</u>
Interest income	11,574	-
Finance costs	(358,960)	-
Profit/(Loss) before taxation	<u>75,220</u>	<u>(55,820)</u>
Income tax expenses	-	-
Net profit/(loss) for the period	<u><u>75,220</u></u>	<u><u>(55,820)</u></u>
Attributable to:		
Equity holders of the parent	40,066	(55,820)
Minority interests	35,154	-
Net profit/(loss) for the period	<u><u>75,220</u></u>	<u><u>(55,820)</u></u>
Earnings per share		
Basic earnings per share (sen)	<u><u>0.01</u></u>	<u><u>*</u></u>
Diluted earnings per share (sen)	<u><u>0.01</u></u>	<u><u>*</u></u>

The results for the preceding year corresponding period ended 31 March 2009 consists of the results of Privasia Technology Berhad alone as the acquisition of Privasia Sdn. Bhd. group of companies and Airocom Technology Sdn. Bhd. group of companies only took place in May 2009. The Company subsequently acquired another subsidiary, IPSAT Sdn. Bhd., in December 2009.

The results for the current period ended 31 March 2010 contains the consolidated results of Privasia Sdn. Bhd., Airocom Technology Sdn. Bhd. and IPSAT Sdn. Bhd.

The condensed consolidated statement of comprehensive income should be read in conjunction with the financial statements for the period ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

* There were only 2 ordinary shares in issue as at 31 March 2009.

PRIVASIA TECHNOLOGY BHD (825092 - U)
(Incorporated in Malaysia)
Unaudited interim financial statement
For the three months period ended 31 March 2010

Condensed consolidated statement of financial position - unaudited

	Note	As at 31.3.2010 RM	As at 31.12.2009 RM
Assets			
Property, plant and equipment		18,059,238	18,318,780
Investment property		5,699,670	5,714,444
Development costs		13,954,262	14,924,731
Intangible assets		604,716	548,441
Goodwill		36,005,230	36,005,230
		<u>74,323,116</u>	<u>75,511,626</u>
Current assets			
Work-in progress		557,806	156,416
Receivables, deposits and prepayments		10,256,531	10,878,379
Other investments	18	2,486,660	2,486,660
Cash and cash equivalents		3,520,029	3,369,294
		<u>16,821,026</u>	<u>16,890,749</u>
Total assets		<u><u>91,144,142</u></u>	<u><u>92,402,375</u></u>
Equity			
Share capital		55,820,002	55,820,002
Reserves		1,090,866	1,050,778
Total equity attributable to shareholders of the Company		<u>56,910,868</u>	<u>56,870,780</u>
Minority interest		239,242	204,088
Total equity		<u>57,150,110</u>	<u>57,074,868</u>
Liabilities			
Non-current liabilities			
Loans and borrowings		22,050,504	19,447,871
Deferred tax liabilities		10,450	10,450
		<u>22,060,954</u>	<u>19,458,321</u>
Current liabilities			
Payables and accruals		6,942,691	7,665,129
Loans and borrowings		4,990,366	8,204,057
		<u>11,933,057</u>	<u>15,869,186</u>
Total liabilities		<u>33,994,011</u>	<u>35,327,507</u>
Total equity and liabilities		<u><u>91,144,121</u></u>	<u><u>92,402,375</u></u>
Net assets per share (RM)		<u>0.10</u>	<u>0.10</u>

The condensed consolidated statement of financial position should be read in conjunction with the financial statements for the period ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

PRIVASIA TECHNOLOGY BHD (825092 - U)
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Unaudited interim financial statement

Condensed consolidated statement of changes in equity for the period ended 31 March 2009 - Unaudited

<i>(all in RM)</i>	Share capital	Accumulated losses	Subtotal	Minority Interest	Total equity
Balance as at 01.01.2009	2	(9,277)	(9,275)	-	(9,275)
Issuance of shares	-	-	-	-	-
Minority interest arising from acquisition	-	-	-	-	-
Net loss for the period	-	(55,820)	(55,820)	-	(55,820)
Balance as at 31.3.2009	<u>2</u>	<u>(65,097)</u>	<u>(65,095)</u>	<u>-</u>	<u>(65,095)</u>

Condensed consolidated statement of changes in equity for the period ended 31 March 2010 - Unaudited

<i>(all in RM)</i>	Share capital	Retained profits	Subtotal	Minority Interest	Total equity
Balance as at 01.01.2010	55,820,002	1,050,779	56,870,781	204,088	57,074,869
Net profit for the period	-	40,066	40,066	35,154	75,220
Balance as at 30.3.2010	<u>55,820,002</u>	<u>1,090,845</u>	<u>56,910,847</u>	<u>239,242</u>	<u>57,150,089</u>

The condensed consolidated changes in equity should be read in conjunction with the financial statements for the period ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

PRIVASIA TECHNOLOGY BHD (825092 - U)
(Incorporated In Malaysia)
Unaudited interim financial statement

Condensed consolidated statement of cash flows for the the period ended 31 March 2010 - Unaudited

	Note	Three months ended 31.3.2010 RM	Three months ended 31.3.2009 RM
Cash flow from operating activities			
Profit/(Loss) before taxation		75,220	(55,820)
<i>Adjustment for :</i>			
Amortisation of development costs		1,232,892	-
Amortisation of intangible assets		69,355	-
Depreciation of investment property		14,774	-
Depreciation of property, plant and equipment		939,392	-
Interest Income		(11,574)	-
Interest expenses		358,960	-
Gain on disposal of property, plant and equipment		9,373	-
Operating profit/(loss) before working capital changes		<u>2,688,392</u>	<u>(55,820)</u>
Work-in progress		(401,390)	-
Receivables, deposits and prepayments		621,848	-
Payables and accruals		(740,594)	55,820
Cash generated from operations		<u>2,168,256</u>	-
Tax paid		18,156	-
Interest received		11,574	-
Net cash generated from operating activities		<u>2,197,986</u>	<u>-</u>
Cash flow from investing activities			
Increase in development costs		(262,421)	-
Proceeds for disposal of property, plant and equipment		26,782	-
Purchase of intangible assets		(125,631)	-
Purchase of property, plant and equipment		(715,963)	-
Net cash used in investing activities		<u>(1,077,233)</u>	<u>-</u>
Cash flow from financing activities			
Interest paid		(358,960)	-
Repayment of loans and borrowings		(611,058)	-
Net cash generated from financing activities		<u>(970,018)</u>	<u>-</u>
Net increase in cash and cash equivalents		150,735	-
Cash and cash equivalents at beginning of the period		3,369,294	2
Cash and cash equivalent at end of the period		<u>3,520,029</u>	<u>2</u>

Cash and cash equivalent

Cash and cash equivalent included in the condensed consolidated statement of cash flows comprise the following statement of financial position amounts:

	31.3.2010	31.3.2009
Cash and bank balances	1,653,911	2
Deposits with licensed banks	1,866,118	-
	<u>3,520,029</u>	<u>2</u>

The condensed consolidated statement of cash flows should be read in conjunction with the financial statements for the period ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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Unaudited interim financial statement

Notes to the interim financial report

1 Basic of preparation

The unaudited interim financial report have been prepared in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market and Financial Reporting Standard (FRS) 134 and should be read in conjunction with the Company's financial statements for the year ended 31 December 2009.

These notes to 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 the Group for the financial period ended 31 March 2010.

The Company has not applied the following accounting standard, amendments and interpretation that have been issued by the Malaysian Accounting Standards Board (MASB) but not yet effective:

FRSs / Interpretations	Effective date
FRS 1, First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3, Business Combinations (revised)	1 July 2010
Amendments to FRS 1, Limited Exemption from Comparative FRS 7 Disclosures for first-time Adopters	1 July 2010
Amendments to FRS 2, Share-based Payment	1 July 2010
Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7, Improving Disclosures about Financial Instruments	1 July 2010
Amendments to FRS 138, Intangible Assets	1 July 2010
Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives	1 July 2010
FRS 127, Consolidated and Separate Financial Statements (revised)	1 July 2010
Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation	
IC Interpretation 12, Service Concession Agreements	1 July 2010
IC Interpretation 15, Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17, Distribution of Non-cash Assets to Owners	1 July 2010

The Company plans to apply the abovementioned FRSs / Interpretations where applicable from the annual period beginning 1 December 2011.

The initial application of the standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Company's financial statements.

2 Changes in accounting policies

There were no changes made to accounting policies during the period.

3 Auditors' reports

The auditors report on the latest financial statements for the financial year ended 31 December 2009 was not subject to any audit qualifications.

4 Seasonal and cyclical factors

The results of the Group were not materially affected by any significant seasonal and cyclical factors during the period under review.

5 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period-to-date.

6 Issuances, cancellations, repurchases, resale and repayment of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the Company during the period under review.

7 Dividend paid

No dividend has been declared or paid during the period under review.

8 Segmental reporting

The Group comprises the following main business segments:

- Information Technology ("IT")
- Information and Communication Technologies ("ICT")
- Satellite based network services ("SAT")

The analysis of the Group's operations for the financial period ended 31 March 2010 is as follows:-

	IT RM	ICT RM	SAT RM	Total RM
Total segment revenue	5,766,059	318,112	414,562	6,498,733
Segment results	1,050,666	248,044	282,182	1,580,892
Unallocated expenses				(1,158,286)
Results from operating activities				422,606
Interest income				11,574
Finance costs				(358,960)
Tax expense				-
Net profit for the period				75,220
Segment assets	69,021,265	19,717,667	2,385,157	91,124,089
Unallocated assets				20,053
Total assets				91,144,142
Segment liabilities	31,732,875	1,134,569	1,118,537	33,985,981
Unallocated liabilities				8,030
Total liabilities				33,994,011

9 Valuation of property, plant and equipment

There were no revaluation of property, plant and equipment for the three months ended 31 March 2010

10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements for the quarter under review.

11 Changes In composition of the Group

There were no changes in composition of the Group during the three months ended 31 March 2010

12 Changes in contingent liabilities or contingent assets

As at the date of this report, the Group does not have any contingent liabilities or contingent assets.

13 Capital commitments

There were no material commitments for the purchase of property, plant and equipment incurred or known to be incurred for in the current quarter under review.

14 Review of performance

For the quarter ended 31 March 2010, the Group recorded a revenue of RM6.5 million and net profit of RM75,220. There is no meaningful comparison with that of 1Q09 as the Group was only formed on 12 May 2009.

Compared to 4Q09, the lower revenue and profit for the quarter under review were due to the lower number of projects completed as per schedule, and a number of projects obtained but not yet commenced.

15 Current year's prospects

The Group is positive on the prospects moving forward. Having strategically expanded the Group's operations to include providing both satellite and ground-based communication infrastructure solutions, Privasia is well positioned to capture the growing demand for communications infrastructure solutions especially from the high-speed broadband space. Additionally, with the recovering economy, we expect to see greater ICT investment from businesses.

Coupled with the Group's already strong order book of RM73 million maintenance and system implementation projects which will last till 2014, we are optimistic of the Group's performance for the current financial year.

16 Income tax expenses

There was no taxation for the period due to the Multimedia Super Corridor ("MSC") status and Pioneer Status granted to both PSB and ATSB under the Promotion of Investments (Amendment) Act, 1997. As such, PSB and ATSB enjoys the tax incentive of 100% exemption of its taxable statutory income from pioneer activities for a period of five (5) years, commencing from 23 January 2002 and 4 January 2001 respectively. The MSC status along with the Pioneer Status have been renewed and approved by relevant authorities for another five (5) years to 22 January 2012 and 28 December 2010 respectively.

17 Unquoted investments and properties

There were no sale of unquoted investments and properties for the period under review and financial period to date.

18 Quoted securities

As part of its treasury management activities, the Group invests its cash surplus in short term money market instruments and money market unit trusts.

(a) The details of purchases and disposal of other investments for the period under review are:

31.3.2010
RM

(i) Purchases and disposal of other investments

-

(b) Particulars of investments in quoted securities as at 31 March 2010

At carrying value

RM
2,486,660

At market value

2,535,150

19 Status of corporate proposals announced

There were no corporate proposals announced.

20 Off balance sheet financial instruments

As at the reporting date, the Group does not have any off balance sheet financial instruments.

21 Material litigation

As at 31 March 2010, there was no material litigation against the Group.

22 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the earnings after taxation for the period by the weighted average number of ordinary shares in issue during the period.

	Three months ended 31.3.2010
Profit for the period (RM)	75,220
Less: Profit attributable to minority interests (RM)	(35,154)
Profit for the period attributable to shareholders of the Company (RM)	<u>40,066</u>
Weighted average number of ordinary shares in issue	558,200,020
Basic earnings per share (sen)	<u><u>0.01</u></u>

22 Earnings per share (continued)

(b) Diluted earnings per share

There are no dilutive effects to the shares during the period under review.

23 Comparatives

As the acquisition of PTB's subsidiaries were completed in May 2009 and December 2009 respectively, the comparatives for the condensed consolidated statement of comprehensive income and consolidated statement of cash flows for the preceding year's corresponding period are not comparable to the current period ended 31 March 2010.

24 Authorisation for issue

The interim financial information were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 May 2010.