

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

Interim Financial Report  
for The Six Month Period Ended 30 June 2009

**PRIVASIA TECHNOLOGY BHD (825092 - U)**  
(Incorporated In Malaysia)  
**Unaudited interim financial statement**  
**For the six months period ended 30 June 2009**

**Condensed consolidated income statement**

	<b>Six months ended 30.06.2009 RM</b>
<b>Revenue</b>	3,346,648
Cost of Sales	(2,688,929)
<b>Gross profit</b>	<u>657,719</u>
Other income	57,186
Other operating expenses	(1,322,930)
<b>Loss from operations</b>	<u>(608,025)</u>
Interest income	2,476
Finance costs	(249,641)
<b>Loss before taxation</b>	<u>(855,190)</u>
Income tax expenses	-
<b>Net loss for the period</b>	<u><u>(855,190)</u></u>
<b>Attributable to:</b>	
Equity holders of the parent	(855,190)
Minority interests	-
<b>Net loss for the period</b>	<u><u>(855,190)</u></u>
<b>Earning per share</b>	
Basic loss per share (sen)	<u><u>0.46</u></u>
Diluted loss per share (sen)	<u><u>0.46</u></u>

The results for the current period ended 30 June 2009 contains the consolidated results of Privasia Sdn Bhd and Airocom Technology Sdn Bhd from 3 May 2009 to 30 June 2009. (See Note 27)

The condensed consolidated income statement should be read in conjunction with the financial statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**PRIVASIA TECHNOLOGY BHD (825092 - U)**  
(Incorporated In Malaysia)  
**Unaudited interim financial statement**  
For the six months period ended 30 June 2009

**Condensed consolidated balance sheet**

	<b>As at 30.06.2008 RM</b>	<b>As at 31.12.2008 RM</b>
<b>Assets</b>		
Property, plant and equipment	18,112,654	-
Investment property	5,743,988	-
Development costs	16,266,337	-
Intangible assets	120,639	-
Goodwill	35,536,234	-
	<u>75,779,852</u>	<u>-</u>
<b>Current assets</b>		
Receivables, deposits and prepayments	8,630,877	-
Work-in progress	1,249,065	-
Other investments	3,504,359	-
Cash and cash equivalents	4,781,825	2
	<u>18,166,126</u>	<u>2</u>
<b>Total assets</b>	<u>93,945,978</u>	<u>2</u>
<b>Equity</b>		
Share capital	55,820,002	2
Reserves	(864,467)	(9,277)
Total equity attributable to shareholders of the Company	<u>54,955,535</u>	<u>(9,275)</u>
Minority interest	-	-
<b>Total equity</b>	<u>54,955,535</u>	<u>(9,275)</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	29,417,628	-
	<u>29,417,628</u>	<u>-</u>
<b>Current Liabilities</b>		
Payables and accruals	7,950,259	9,277
Progressive billing	63,911	-
Loans and borrowings	1,558,645	-
	<u>9,572,815</u>	<u>9,277</u>
<b>Total liabilities</b>	<u>38,990,443</u>	<u>9,277</u>
<b>Total equity and liabilities</b>	<u>93,945,978</u>	<u>2</u>

The condensed consolidated balance sheet should be read in conjunction with the financial statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**PRIVASIA TECHNOLOGY BHD (825092 - U)**  
(Incorporated In Malaysia)  
**Unaudited interim financial statement**  
**For the six months period ended 30 June 2009**

**Condensed consolidated statement of changes in equity for the six months ended  
30 June 2009 - Unaudited**

<i>(all in RM)</i>	Share capital	Retained losses	Total equity
Balance as at 01.01.2009	2	(9,277)	(9,275)
Issuance of shares	55,820,000	-	55,820,000
Net loss for the period	-	(855,190)	(855,190)
Balance as at 30.06.2009	<u>55,820,002</u>	<u>(864,467)</u>	<u>54,955,535</u>

The results for the current period ended 30 June 2009 contains the consolidated results of Privasia Sdn Bhd and Airocom Technology Sdn Bhd from 3 May 2009 to 30 June 2009. (See Note 27)

The condensed consolidated changes in equity should be read in conjunction with the financial statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**PRIVASIA TECHNOLOGY BHD (825092 - U)**  
(Incorporated In Malaysia)  
**Unaudited interim financial statement**  
For the six months period ended 30 June 2009

**Condensed consolidated cash flow statement for the six months ended 30 June 2009 - Unaudited**

	Note	Six months ended 30.06.2009 RM
<b>Cash flow from operating activities</b>		
Loss before taxation		(855,190)
<i>Adjustment for :</i>		
Amortisation of development costs		651,036
Amortisation of intangible assets		15,626
Depreciation of investment property		9,668
Depreciation of property, plant and equipment		814,177
Interest income		(2,476)
Interest expenses		249,641
Operating profit before working capital changes		<u>882,482</u>
Work-in progress		(3,503,210)
Receivables, deposits and prepayments		5,897,592
Payables and accruals		1,965,520
Cash generated from operations		<u>5,242,384</u>
Tax paid		(567)
Interest received		2,476
<b>Net cash generated from operating activities</b>		<u>5,244,293</u>
<b>Cash flow from investing activities</b>		
Increase in development costs		(2,087,116)
Purchase of property, plant and equipment		(118,511)
Purchase of subsidiaries, net of cash and cash equivalent	12	(54,785,572)
Disposal of other investments		25,400
<b>Net cash used in investing activities</b>		<u>(56,965,799)</u>
<b>Cash flow from financing activities</b>		
Interest paid		(249,641)
Increase in pledged deposits		(15,000)
Proceeds from loans and borrowings		947,970
Proceeds from issuance of share capital		55,820,000
<b>Net cash generated from financing activities</b>		<u>56,503,329</u>
<b>Net increase in cash and cash equivalents</b>		4,781,823
<b>Cash and cash equivalents at beginning of the period</b>		2
<b>Cash and cash equivalent at end of the period</b>		<u>4,781,825</u>

The condensed consolidated cash flow statements should be read in conjunction with the financial statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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

**Notes to the interim financial report**

**1 Basic of preparation**

This interim unaudited financial report has 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 period ended 31 December 2008.

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 December 2008, except as disclosed in Note 12 to the interim financial report.

**2 Changes in Accounting Policies**

There was no change to accounting policies in the period.

**3 Auditors' Reports**

The auditors report on the latest financial statements for the financial period ended 2008 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, except as disclosed in Note 12 to the interim financial report.

**6 Changes in estimates**

There were no changes in estimates that have had material effect in the current financial period-to-date

**7 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.

**8 Dividend paid**

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

**9 Segmental reporting**

The Group operates in a single business segment. Hence, no segmental reporting is required.

**10 Valuation of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment for the quarter ended 30 June 2009.

**11 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.

**12 Changes in composition of the Group**

The Company acquired 100% shareholding in both Privasia Sdn Bhd ("PSB") and Airocom Technology Sdn Bhd ("ATSB") on 3 May 2009. The purchase consideration of equity interest in these companies were satisfied via issuance of new shares in Privasia Technology Berhad.

Subsequent to the acquisitions, the listing status of Airocom Technology Berhad was transferred to Privasia Technology Berhad.

The subsidiaries of the Company as at 30 June 2009 are:

Details	Ownership
Subsidiaries of Privasia Technology Bhd	
Privasia Sdn Bhd	100%
Airocom Technology Sdn Bhd	100%
Subsidiaries of Privasia Sdn Bhd	
Privacom Sdn Bhd	100%
Privasia Bioinformatics Sdn Bhd	100%
Subsidiaries of Airocom Technology Sdn Bhd	
Airoport.com Sdn Bhd	100%
Airocom Mobile Communication Sdn Bhd	100%

The fair values of assets and liabilities acquired in the acquisition and the cash flow effects of acquisition of Privasia Sdn Bhd were as follows:

	RM
Non-current assets	39,323,380
Current assets	14,734,745
Non-current liabilities	(28,485,775)
Current liabilities	(2,753,844)
<b>Net assets</b>	<b>22,818,506</b>
Goodwill on acquisition	17,851,494
<b>Purchase consideration</b>	<b>40,670,000</b>
Cash and cash equivalents acquired	(994,731)
<b>Net cash outflow</b>	<b>39,675,269</b>

The fair values of assets and liabilities acquired in the acquisition and the cash flow effects of acquisition of Airocom Technology Sdn Bhd were as follows:

	RM
Non-current assets	205,118
Current assets	2,088,766
Non-current liabilities	(161,986)
Current liabilities	(4,666,638)
<b>Net liabilities</b>	<b>(2,534,740)</b>
Goodwill on acquisition	17,684,740
<b>Purchase consideration</b>	<b>15,150,000</b>
Cash and cash equivalents acquired	(39,697)
<b>Net cash outflow</b>	<b>15,110,303</b>
<b>Net cash outflow on acquisition of Privasia Sdn Bhd</b>	<b>39,675,269</b>
<b>Net cash outflow on acquisition of Airocom Technology Sdn Bhd</b>	<b>15,110,303</b>
<b>Purchase of subsidiaries, net of cash and cash equivalent (see cash flow statement)</b>	<b>54,785,572</b>

**13 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.

**14 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.

**15 Review of performance**

The Group registered revenue of RM3,346,648 and loss before tax of RM855,190 for the period from 3 May 2009 to 30 June 2009, as the Company completed the acquisitions of Airocom Technology Sdn Bhd and Privasia Sdn Bhd on 3 May 2009, and consolidated their results into the Group accounts thereafter.

The loss was mainly attributable to Airocom due to the significant drop in revenue during the period.

**16 Current year's prospects**

The Group's main priority in the immediate term is to consolidate and integrate the Group's operations as an enlarged entity, and enable the Group to become a leading Business Process Outsourcing player for Information Communications and Technology (ICT) infrastructure in Malaysia.

To this end the Group will continue to realign Airocom's business direction in bidding for and managing communications related outsourcing projects, while Privasia will focus on its core competency in IT.

In view of the dampened economic scenario in the current year, the business outlook for the Group remains challenging in the current financial year. Nevertheless the Board expects the subsidiary, Privasia Sdn Bhd to be on track to deliver its remaining profit guarantee of RM4.5 million in respect of the financial year ending 31 December 2009.

**17 Profit forecast**

Not applicable as the Group did not publish any profit forecast.

**18 Income tax expenses**

There were no taxation for the year 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.

**19 Unquoted investments and properties**

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

**20 Quoted securities**

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

30.06.2009

RM

(i) Purchase of other investments	1,000,000
(ii) Disposal of other investments	1,025,400
	<u>1,025,400</u>

(b) Particulars of investments in quoted securities as at 30 June 2009:

RM

At carrying value	<u>3,504,359</u>
At market value	<u>3,543,847</u>

**21 Status of corporate proposals announced**

There were no corporate proposals announced.



**22 Borrowings and debt securities**

	At 30 June 2009 RM
<b>Current</b>	
Secured	1,558,645
	<u>1,558,645</u>
<b>Non-current</b>	
Secured	29,417,628
	<u>29,417,628</u>

**23 Off balance sheet financial instruments**

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

**24 Dividend**

No dividend has been declared for the current quarter.

**25 Material litigation**

As at 30 June 2009, there was no material litigation against the Group.

**26 Loss per share**

a) Basic loss per share

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

	Six months ended 30 June 2009
Loss for the period (RM)	(855,190)
Less: Amount attributable to minority interests (RM)	-
Loss for the period attributable to shareholders of the Company (RM)	<u>(855,190)</u>
Weighted average number of ordinary shares in issue *	186,066,675
Basic loss per share (sen)	<u>(0.46)</u>

\* The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

b) Diluted loss per share

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

**27 Comparatives**

This is the first interim financial statements on the consolidated results of the Group for financial period ended 30 June 2009 announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market in conjunction with the admission of the Company to the ACE Market of Bursa Malaysia Securities Berhad.

As PTB was incorporated on 14 July 2008, there were no comparatives for the income statement and cash flow statement for the preceding year's corresponding period.

As a result, the comparative figures for the preceding year's corresponding period are not comparable to the current period ended 30 June 2009.

**28 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 August 2009.