

# INTELLIGENT EDGE TECHNOLOGIES BERHAD

(Company No: 406253-W)  
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 4th quarter ended 31.12.2010

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2010 RM('000)	31/12/2009 RM('000)	31/12/2010 RM('000)	31/12/2009 RM('000)
Revenue	-	(599)	-	571
Operating expenses	(110)	(3,482)	(551)	(5,073)
Other operating income	10	56	10	63
Profit/(Loss) from operations	(100)	(4,025)	(540)	(4,439)
Finance cost - Interest on bank overdraft	-	(10)	(20)	(40)
Loss before taxation	(100)	(4,035)	(560)	(4,479)
Taxation	-	(651)	-	(651)
Total comprehensive loss	<u>(100)</u>	<u>(4,686)</u>	<u>(560)</u>	<u>(5,131)</u>
Attributable to:				
Equity holders of the parent	<u>(100)</u>	<u>(4,686)</u>	<u>(560)</u>	<u>(5,131)</u>
Loss Per Share (Sen)				
(a) Basic	(0.09)	(4.36)	(0.52)	(4.78)
(b) Fully diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report)

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## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	AS AT END OF CURRENT YEAR QUARTER 31/12/2010 (Unaudited) RM('000)	AS AT PRECEDING FINANCIAL YEAR END 31/12/2009 (Audited) RM('000)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	-	41
	<u>-</u>	<u>41</u>
<b>CURRENT ASSETS</b>		
Trade Receivables	-	57
Other Receivables and Prepaid Expenses	43	29
Fixed Deposits	-	396
Cash and Bank Balances	1	19
	<u>44</u>	<u>501</u>
<b>TOTAL ASSETS</b>	<u>44</u>	<u>542</u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	10,736	10,736
Reserves		
<i>Share Premium</i>	4,141	4,141
<i>Share Option</i>	6	6
<i>Warrants</i>	1,223	1,223
<i>Accumulated Loss</i>	(18,210)	(17,650)
<b>TOTAL EQUITY</b>	<u>(2,104)</u>	<u>(1,544)</u>
<b>NON-CURRENT LIABILITY</b>		
Deferred Tax Liabilities	5	5
<b>CURRENT LIABILITIES</b>		
Trade Payables	1,084	1,081
Other Payables and Accrued Expenses	948	491
Bank Overdraft	111	509
	<u>2,143</u>	<u>2,081</u>
<b>TOTAL LIABILITIES</b>	<u>2,148</u>	<u>2,086</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>44</u>	<u>542</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>(1.91)</u>	<u>(1.44)</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report)

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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	Share Capital	Non-Distributable Reserve- Share Premium	Non-Distributable Share Option Reserve	Non-Distributable Warrant Reserve	Accumulated Loss	Total
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
<b>12 months ended 31.12.2010</b>						
Balance as at 01.01.2010	10,736	4,141	6	1,223	(17,650)	(1,544)
Total comprehensive loss for the period	-	-	-	-	(560)	(560)
	10,736	4,141	6	1,223	(18,210)	(2,104)
	10,736	4,141	6	1,223	(17,650)	(1,544)
<b>12 months ended 31.12.2009</b>						
Balance as at 01.01.2009	10,736	4,141	6	1,223	(12,518)	3,588
Total comprehensive loss for the period	-	-	-	-	(5,132)	(5,132)
	10,736	4,141	6	1,223	(17,650)	(1,544)
	10,736	4,141	6	1,223	(17,650)	(1,544)

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report)

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Quarterly report on consolidated results for the 4th quarter ended 31.12.2010

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(These figures have not been audited)

	12 months ended 31.12.2010	12 months ended 31.12.2009
	RM('000)	RM('000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(560)	(4,479)
Adjustments for:		
Allowance for doubtful debts	-	2,567
Amortisation of intangible assets	-	403
Depreciation of property, plant and equipment	30	60
Finance cost	20	40
Development cost written off	-	1,123
Trade Receivable written off	11	
Fixed Assets written off	57	
Interest income	(10)	(12)
Operating loss before working capital changes	<u>(452)</u>	<u>(298)</u>
Changes in working capital:		
Net change in current assets	(40)	302
Net change in current liabilities	466	(46)
Cash used in operations	<u>(26)</u>	<u>(42)</u>
Interest received	10	12
Finance cost paid		(40)
Development costs incurred	-	-
<b>Net cash used in operating activities</b>	<u>(16)</u>	<u>(70)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(5)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(5)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	-
Proceeds from right issue of warrant	-	-
Written off Corporate Exercise Expenses with Warrants Reserve	-	-
<b>Net cash from financing activities</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(16)	(76)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	(94)	(18)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	(Note A15) <u><u>(110)</u></u>	<u><u>(94)</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report)

# INTELLIGENT EDGE TECHNOLOGIES BERHAD

(Company No: 406253-W)

(Incorporated in Malaysia)

## Quarterly report on consolidated results for the 4th quarter ended 31.12.2010

### NOTES

#### A EXPLANATORY NOTES PURSUANT TO FRS134 INTERIM FINANCIAL REPORTING

##### A1 Accounting Policies and Basic of Preparation

The interim financial report has been prepared in compliance with FRS No. 134, Interim Financial Reporting and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2009.

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2009 except for the adoption of the following new FRSs, Amendments to FRSs and Interpretations applicable to the Group effective for financial period beginning 1 January 2010:

FRS 1	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 2	Amendments to FRS2 Share-based Payment Vesting Conditions and Cancellations
FRS 5	Amendment to FRS5
FRS 7	Financial Instruments : Disclosures
	Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures
FRS 8	Amendment to FRS 8
FRS 101	Presentation of Financial Statements (Revised)
FRS 108	Amendment to FRS 108
FRS 119	Amendment to FRS 119
FRS 123	Borrowing Costs
	Amendment to FRS 123
FRS 127	Amendment to FRS 127
FRS 132	Amendments to FRS 132 Financial Instruments: Presentation
FRS 134	Amendment to FRS 134
FRS 138	Amendment to FRS 138
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11, 13, 14	IC Interpretation 11: FRS 2 Group and Treasury Share Transactions IC Interpretation 13: Customer Loyalty Programmes IC Interpretation 14: FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The adoption of the above mentioned FRSs, Amendments to FRS and Interpretations have no material impact on the financial statements of the Group.

##### A2 Auditors' report of preceding annual financial statements

The auditors' report on the preceding year's annual audited financial statements was not subject to any qualification but was modified to include an emphasis matter on going concern.

##### A3 Seasonal or cyclical factors

The Group's operations were not materially affected by any seasonal or cyclical factors.

##### A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter.

**A5 Material changes in estimates**

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current financial quarter.

**A6 Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter.

**A7 Dividend paid**

No dividend has been paid in the current financial quarter.

**A8 Segment information**

The Group's operations comprise the following business segments:-

- i) Telecommunications products  
Sales of telecommunications products.
- ii) Investment holding  
Investment in subsidiaries

BUSINESS SEGMENTS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2010 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 12/31/2009 RM('000)	CURRENT YEAR TO DATE 31/12/2010 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM('000)
<b><u>REVENUE</u></b>				
Business applications and software solutions				300
Telecommunications products		(599)		271
	<u>-</u>	<u>(599)</u>	<u>-</u>	<u>571</u>
<b><u>PROFIT/(LOSS) BEFORE TAXATION</u></b>				
Business applications and software solutions				300
Telecommunications products	(100)	(4,035)	(560)	(4,779)
Investment holding				
	<u>(100)</u>	<u>(4,035)</u>	<u>(560)</u>	<u>(4,479)</u>

**A9 Valuation of property, plant and equipment**

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have effect in the current financial quarter under review.

**A10 Material events subsequent to the end of the quarter**

There were no material events subsequent to the current financial quarter ended 31st Dec 2010 up to the date of this report which, is likely to substantially affect the results of the operations of the Group.

**A11 Changes in the composition of the Group**

There has been no change in the composition of the Group during the quarter under review.

**A12 Changes in contingent liabilities or contingent assets**

There were no changes in the contingent liabilities or contingent assets since 31st December 2009, being the last annual balance sheet date.

**A13 Capital commitments**

There were no capital commitments as at the date of this report.

**A14 Significant related party transactions**

There were no significant related party transactions during the current financial quarter.

**A15 Cash and cash equivalents**

	As at 31/12/2010 RM('000)	As at 31/12/2009 RM('000)
Fixed deposits	-	396
Cash and bank balances	1	19
Bank overdraft	(111)	(509)
	<u>(110)</u>	<u>(94)</u>

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET****B1 Review of performance**

For the current quarter under review, the Group has not generated any revenue and posted a loss before tax of RM42k mainly due to general and administrative expenses incurred.

**B2 Variation of results against preceding quarter**

For the current quarter under review, the Group has not generated any revenue and posted a loss before tax of RM110k mainly due to general and administrative expenses incurred as compared to a loss before taxation of about RM4686k in the same period of the preceding quarter.

**B3 Prospects**

The Management is in the midst of restructuring the group and is in the process of finalising the appointment of a sponsor with the view to reinstating the group to its original status.

**B4 Profit forecast and profit guarantee**

The Group did not announce any profit forecast nor profit guarantee during the financial quarter.

**B5 Taxation**

No provision for income tax has been made for the financial periods presented as the Group incurred operating losses.

**B6 Unquoted investments and properties**

There was no sale of unquoted investments and properties during the current financial quarter.

**B7 Quoted securities**

There was no purchase or sale of quoted securities during the current financial quarter.

**B8 Status of corporate proposals/developments**

On the 28 March 2010, the Company had announced that the Company is an Affected Listed Company pursuant to GN3 of the Listing Requirements of Bursa Securities for the ACE Market ("First Announcement") based on the criteria as prescribed under Rule

As an Affected Listed Company, the Company is required to comply with the following conditions pursuant to Rule 8.04 of the ACE

- Submit to Bursa Securities a regularisation plan as defined in Rule 8.04(3)(a)(i) of the ACE LR and obtain the approval of Bursa Securities to implement the plan within twelve (12) months from the date of the First Announcement;
- Appoint a Sponsor within three (3) months from the date of the First Announcement and retain the said Sponsor until it is no longer considered as a GN 3 Company by Bursa Securities;

- (c) Implement the regularisation plan within six (6) months from the date of approval by Bursa Securities. For cases which involve court proceedings, the Company has up to twelve (12) months from date of approval by Bursa Securities to complete the implementation of the regularisation plan;
- (d) Announce the status of the Company's plan to regularise its condition and the number of months to the end of the relevant timeframes on a monthly basis ("Monthly Announcement") until further notice from Bursa Securities;
- (e) Announce its compliance or non-compliance with a particular obligation pursuant to GN3 on an immediate basis;
- (f) Announce details of the Regularisation Plan which announcement must fulfill the requirements as set out in Rule 4.2 of GN 3.

If the Company should fail to comply with the obligation to regularise its condition, Bursa Securities shall suspend the trading of the Company's listed securities on the next market day after five (5) market days from the date of notification of suspension by Bursa Securities; and delist the Company subject to the Company's right to appeal against the de-listing under Rule 8.04(6) of ACE LR.

The Company has yet to formalise a regularisation plan to address its GN 3 status. Appropriate announcement on the regularisation plan shall be announced by the Company in due course.

#### B9 Group's borrowings and debt securities

	As at 31.12.2010 RM'000	As at 31.12.2009 RM'000
<b>Short term borrowing</b>		
Bank overdraft - Secured	<u>111</u>	<u>509</u>

#### B10 Off balance sheet financial instruments

There was no off balance sheet financial instrument as at the date of this report.

#### B11 Material litigation

Reference is made to the First Announcement made by the Company on 28 April 2010 and the monthly announcements made on 4 May 2010, 1 June 2010, 1 July 2010, 3 August 2010, 1 September 2010, 1 October 2010, 1 November 2010, 1 December 2010 and 3 January 2011 in compliance with Rule 4.1(b) of Guidance Note 3 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market. The Board of Directors of IE wishes to inform that the Company is still in the midst of evaluating various options in its endeavour to formulate a plan to regularise the Company's financial condition ("Regularisation Plan").

Premised on the First Announcement and the monthly announcements, the last day for submission of the Regularisation Plan by the Company to the relevant authorities would be by 27 April 2011, which is approximately 3 months from the date thereof.

#### B12 Dividends

No dividend has been declared in respect of the financial period under review.

#### B13 Loss per share

- a. Basic loss per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 12/31/2010 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 12/31/2009 RM('000)	CURRENT YEAR TO DATE 12/31/2010 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 12/31/2009 RM('000)
Net loss attributable to shareholders	<u>(100)</u>	<u>(4,686)</u>	<u>(560)</u>	<u>(5,131)</u>
Weighted average number of ordinary share in issue ('000)	107,364	107,364	107,364	107,364
Basic loss per share (sen)	(0.09)	(4.36)	(0.52)	(4.78)

As the assumed conversion of the employee share options granted and any warrants outstanding would be antidilutive, diluted earnings per share have not been presented.