

# INTELLIGENT EDGE TECHNOLOGIES BERHAD

(Company No: 406253-W)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 4th quarter ended 31.12.2011

## 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
	31/12/2011 RM('000)	31/12/2010 RM('000)	31/12/2011 RM('000)	31/12/2010 RM('000)
Revenue	-		-	
Operating expenses	(5)	(110)	(109)	(550)
Other operating income		10	-	10
Loss from operations	(5)	(100)	(109)	(540)
Finance cost - Interest on bank overdraft	-		-	(20)
Loss before taxation	(5)	(100)	(109)	(560)
Taxation	-	-	-	-
Loss for the period	(5)	(100)	(109)	(560)
Other comprehensive income, net of tax	-	(100)	-	(560)
Total comprehensive loss	<u>(5)</u>	<u>(100)</u>	<u>(109)</u>	<u>(560)</u>
Loss for the period attributable to: Equity holders of the parent	<u>(5)</u>	<u>(100)</u>	<u>(109)</u>	<u>(560)</u>
Total comprehensive loss attributable to: Equity holders of the parent	<u>(5)</u>	<u>(100)</u>	<u>(109)</u>	<u>(560)</u>
Loss Per Share (Sen)				
(a) Basic	(0.00)	(0.09)	(0.10)	(0.52)
(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 2010 and the accompanying explanatory notes attached to this interim financial report)

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(Company No: 406253-W)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 4th quarter ended 31.12.2011

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	AS AT END OF CURRENT YEAR QUARTER 31/12/2011 (Unaudited) RM('000)	AS AT PRECEDING FINANCIAL YEAR END 31/12/2010 (Audited) RM('000)
<b>NON-CURRENT ASSETS</b>		
Other Investment	*	*
Total Non-Current Assets	-	-
<b>CURRENT ASSETS</b>		
Other Receivables and Prepaid Expenses	1	1
Cash and Bank Balances	-	13
Total Current Assets	1	14
<b>TOTAL ASSETS</b>	<b>1</b>	<b>14</b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	10,736	10,736
Reserves		
<i>Share Premium</i>	4,141	4,141
<i>Warrants</i>	1,223	1,223
<i>Accumulated Loss</i>	(18,616)	(18,507)
<b>TOTAL EQUITY</b>	<b>(2,516)</b>	<b>(2,407)</b>
<b>CURRENT LIABILITIES</b>		
Trade Payables	1,237	1,250
Other Payables and Accrued Expenses	1,120	1,011
Amount owing to director	30	30
Bank Overdraft	130	130
	2,517	2,421
<b>TOTAL LIABILITIES</b>	<b>2,517</b>	<b>2,421</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1</b>	<b>14</b>
Net assets per share attributable to ordinary equity holders of the parent (sen)	(2.34)	(2.24)

\* Denotes RM1

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report)

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## CONDENSED CONSOLIDATED STATEMENT 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 31.12.2011</b>						
Balance as at 01.01.2011	10,736	4,141	-	1,223	(18,507)	(2,407)
Total comprehensive loss for the period	-	-	-	-	(109)	(109)
Balance as at 31.12.2011	<u>10,736</u>	<u>4,141</u>	<u>-</u>	<u>1,223</u>	<u>(18,616)</u>	<u>(2,516)</u>
<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)
Balance as at 31.12.2010	<u>10,736</u>	<u>4,141</u>	<u>6</u>	<u>1,223</u>	<u>(18,210)</u>	<u>(2,104)</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 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 31.12.2011

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(These figures have not been audited)

	12 months ended 31.12.2011	12 months ended 31.12.2010
	RM('000)	RM('000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(109)	(560)
Adjustments for:		
Depreciation of property, plant and equipment	-	30
Finance cost		20
Trade Receivable written off		11
Fixed Assets written off		57
interest Income		(10)
Operating loss before working capital changes	<u>(109)</u>	<u>(452)</u>
Changes in working capital:		
Net change in current assets	-	(40)
Net change in current liabilities	109	466
Cash used in operations	<u>-</u>	<u>(26)</u>
Interest Received	-	10
Net cash used in operating activities	<u>-</u>	<u>(16)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	-	(16)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	(117)	(94)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>(Note A15) <u>(117)</u></u>	<u>(110)</u>

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 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 31.12.2011

### A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

#### A1 Accounting Policies and Basic 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 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. The supplementary information set out in B15, which is not part of the financial statements, is disclosed in accordance to Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010.

#### 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 audited financial statements for the financial year ended 31 December 2010 except for the adoption of the following new FRS, Amendments to FRSs and Interpretations that are effective for the financial periods beginning on or after 1 July 2010 and 1 January 2011:

Effective for financial periods beginning on or after 1 July 2010:

- FRS 1: First-time Adoption of Financial Reporting Standard
- FRS 3: Business Combination (Revised)
- FRS 127: Consolidated and Separate Financial Statements (Amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011:

- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- Amendments to FRSs 'Improvements to FRSs (2010)'
- IC Interpretation 4: Determining whether an Arrangement contains a Lease
- IC Interpretation 8: Transfers of Assets from Customers
- Improvements to FRS issued in 2010

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

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

The auditors' report on the Company's financial statements for the year ended 31 December 2010 was qualified due to the following significant material uncertainties on the ability of the Group and the Company to continue as going concern:

The Group and the Company incurred net loss amounting to RM863,142 and RM4,994,362 respectively, for the year ended 31 December 2010. As at 31 December 2010, the capital deficiency of the Group and of the Company stood at RM2,407,294 and RM2,358,214 respectively. Current liabilities have also exceeded current assets by RM2,407,295 and RM2,358,215 for the Group and the Company respectively as at that date. On 28 April 2010, the Company announced that it had become an Affected Listed Company pursuant to Guidance Note No. 3/2006 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The abovementioned events indicate the existence of material uncertainties which cast significant doubt about the ability of the Group and of the Company to continue as going concern. However, as mentioned in the Financial Statements, the financial statements of the Group and of the Company have been prepared on the basis of accounting principles applicable to going concerns which presumes that the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The ability of the Group and of the Company to carry on as going concern is dependent upon their management ability to formulate and implement an appropriate regularisation plan and on the ability of the Group and of the Company to obtain continuing financial support of shareholders, bankers and creditors and achieving future profitable results and generating positive cashflows.

In the event that the going concern assumption is no longer valid, the Group and the Company may not be able to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at the amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position.

#### 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 31/12/2011 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010 RM('000)	CURRENT YEAR TO DATE 31/12/2011 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM('000)
<b>REVENUE</b>				
Telecommunications products	-	-	-	-
Investment holding	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LOSS BEFORE TAXATION</b>				
Telecommunications products	(5)	(100)	(109)	(560)
Investment holding	-	-	-	-
	<u>(5)</u>	<u>(100)</u>	<u>(109)</u>	<u>(560)</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 31 December 2011 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 31 December 2010, 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 31/12/2011 RM('000)	As at 31/12/2010 RM('000)	As at 31/12/2010 RM('000)
Fixed deposits	-		-
Cash and bank balances	-	1	13
Bank overdraft	(130)	(111)	(130)
	<u>(130)</u>	<u>(110)</u>	<u>(117)</u>

Included in fixed deposits for the financial period 30 September 2010, is an amount of RM300,000 pledged to a licensed bank for a bank overdraft facility granted to the Company. These fixed deposits has been uplifted by the licensed bank as partial settlement for an unsettle bank overdraft facility granted to the Company.

**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 RM5,000.

**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 RM5,000 against loss before tax of RM100,000 recorded in the preceding quarter.

**B3 Prospects**

The Directors is in the midst of restructuring the Group and have entered into Conditional Definitive Agreement with vendors as referred to in B8 with the view to revitalised the business of the Group to a profitable state, and to regularise the Group financial condition thereon.

**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 expense has been made for the financial period 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 2.1(a).

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

- (a) 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;
- (b) 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.

On 20 April 2011, M&A Securities Sdn Bhd ("M&A Securities") had on behalf of the Board of Directors of the Company, announced that the Company had on the same date entered into a conditional definitive agreement with Tan Tiak Huat @ Tan Teik Huat, Ooi Aik Khim and Chong Yuen Yew (collectively the "Vendors") to undertake a series of proposals to regularise the financial condition of the Company encompassing an acquisition of a new viable business by a special purpose vehicle to be incorporated ("Newco"), an exchange of shares and warrants in the Company for new shares in Newco, a creditors scheme, a fund raising exercise by Newco, an offer for sale of Newco shares by the Vendors, the transfer of the Company's listing status to Newco and the subsequent disposal of the Company and its subsidiaries

On 16 May 2011, M&A Securities had on behalf of the Board of Directors of the Company announced that, as part of the conditions of the Definitive Agreement, on 16 May 2011, Sensory Ventures Sdn Bhd ("SVSB" or "Newco") i.e. the special purpose vehicle identified to facilitate the Proposed Restructuring Scheme and the Vendors had entered into a conditional share sale agreement ("Acquisition SSA") for the proposed acquisition of 2,100,000 ordinary shares of RM1.00 each in Sensory Basics Sdn Bhd ("SBSB") representing the entire equity interest in SBSB ("SBSB Shares"). Further, on the same said date, the Company and the Vendors had entered into an amended and restated definitive agreement to vary certain terms of the Definitive Agreement ("Amended Definitive Agreement").

On 26 August 2011, M&A Securities Sdn Bhd had on behalf of the Board of Directors of the Company submitted the applications in relation to the Proposed Restructuring Scheme to Bursa Malaysia Securities Berhad ("Bursa Securities") for their consideration and approval.



## B9 Group's borrowings and debt securities

	As at 31/12/2011 RM'000	As at 31/12/2010 RM'000
<b>Short term borrowing</b>		
Bank overdraft - Secured	<u>130</u>	<u>111</u>

The overdraft facility is secured against a RM300,000 of fixed deposits with a licensed bank. The fixed deposits has been uplifted by the bank as partial settlement for an unsettle bank overdraft facility granted to the Company.

## B10 Off balance sheet financial instruments

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

## B11 Material litigation

- i) On 29 April 2010, Alliance Bank Berhad uplifted the fixed deposits of the Company of RM411,780 as the Company had failed to settle the overdrawn account. Upon upliftment, there was a balance of RM110,975 outstanding which the Company failed to settle. The said bank had file a summon against the Company and obtained judgement for the abovementioned sum. The Company is now in the midst of negotiating for an amicable settlement.
- ii) On 20 September 2010, Mohammed Sheraz Aslam issued a letter of demand against the Company for a sum of RM1,500,000 in relation to an undertaking letter that certain directors of the Company had signed. The Company's solicitors upon perusing the documents have advised the Company that the demand is frivolous as there was no such undertaking given by the Company but merely a personal undertaking by certain directors of the Company. The Company's solicitor has on 28 September 2010 written to the claimants' solicitors denying the claim. No action has since been taken against the Company to date.
- iii) On 18 July 2011, Macera Technologies Sdn Bhd ("Macera") served a notice of demand pursuant to Section 218 of the Companies Act, 1965 which requires the Company to settle a judgment debt for a sum of RM186,543.67 which is inclusive of interest of RM16,983.67 and cost of RM2,560 as of 14 July 2010 before a winding up petition is being filed against the Company. The Company is now in the midst of negotiating with Macera for an amicable settlement.
- iv) On 11 October 2011, Messrs. Iza Ng Yeoh & Kit had on behalf of Public Investment Bank Berhad served a Summon dated 30 September 2011 and a Statement of Claim dated 27 September 2011 for a sum of RM101,314.19 with interest and incidental legal cost for corporate advisory services claimed to be previously rendered to the Company. The matter is fixed for mention on 14 November 2011. The Company has seek the necessary legal advice to resolve and /or defend this matter.

## B12 Dividends

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

## B13 Corporate proposals announced but pending completion

Save for those mentioned in Note B8, there are no corporate proposals/developments announced but pending completion as at the date of this announcement.

## B14 Loss per share

### a. Basic loss per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2011 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010 RM('000)	CURRENT YEAR TO DATE 31/12/2011 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM('000)
Net loss attributable to shareholder:	<u>(5)</u>	<u>(100)</u>	<u>(109)</u>	<u>(560)</u>
Weighted average number of ordinary share in issue ('000)	107,364	107,364	107,364	107,364
Basic loss per share (sen)	(0.00)	(0.09)	(0.10)	(0.52)

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.

**B15 REALISED AND UNREALISED PROFITS/(LOSSES) DISCLOSURE**

Supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad are as follow:

	12 Months Ended	
	31 Dec 2011	31 Dec 2010
	Current	Preceding
	Quarter	Quarter
	RM('000)	RM('000)
Total cumulated loss of the Company and its subsidiaries:		
Unrealised	-	-
Realised	(18,616)	(18,210)
Total cumulated loss	<u>(18,616)</u>	<u>(18,210)</u>