

THETA EDGE BERHAD^(260002-W)
(Incorporated in Malaysia)

QUARTERLY REPORT

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE SECOND QUARTER ENDED 30 JUNE 2011

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2011 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2010 RM'000	Current Year To Date Ended 30/06/2011 RM'000	Preceding Year Corresponding Period Ended 30/06/2010 RM'000
1. Revenue	9,139	20,776	30,374	51,424
2. Profit/(loss) before tax and exceptional items	(8,866)	(1,540)	(8,062)	1,339
3. Profit/(loss) after tax and before exceptional items	(8,866)	(1,551)	(8,062)	1,328
4. Loss for the period	(8,866)	(6,913)	(8,062)	(4,034)
5. Loss attributable to owners of the Company	(8,866)	(6,913)	(8,062)	(4,034)
6. Basic loss per share (sen)	(12.55)	(10.95)	(11.41)	(6.39)
7. Proposed/Declared dividend per share (sen)	-	-	-	-
			As At End Of Current Quarter	As At Preceding Financial Year End
8. Net assets per share attributable to owners of the Company (RM)			0.78	0.84

Additional Information

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2011 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2010 RM'000	Current Year To Date Ended 30/06/2011 RM'000	Preceding Year Corresponding Period Ended 30/06/2010 RM'000
1. Gross income from short term investments	76	8	116	76
2. Gross borrowing costs	(5)	(598)	(187)	(871)

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**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2011 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2010 RM'000	Current Year To Date Ended 30/06/2011 RM'000	Preceding Year Corresponding Period Ended 30/06/2010 RM'000
Revenue	9,139	20,776	30,374	51,424
Income from short term investments	76	8	116	76
Other operating income	-	39	-	616
Operating expenses	<u>(13,069)</u>	<u>(21,531)</u>	<u>(32,744)</u>	<u>(49,474)</u>
Profit/(loss) from operations	(3,854)	(708)	(2,254)	2,642
Depreciation	(584)	(234)	(1,198)	(432)
Borrowing costs	(5)	(598)	(187)	(871)
Employee costs pursuant to grant of ESOS	(1,097)	-	(1,097)	-
Allowances and non cash expenses	<u>(3,326)</u>	<u>-</u>	<u>(3,326)</u>	<u>-</u>
Profit/(loss) before taxation	(8,866)	(1,540)	(8,062)	1,339
Taxation	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>(11)</u>
Profit/(loss) after tax and before exceptional item	(8,866)	(1,551)	(8,062)	1,328
Exceptional Item	<u>-</u>	<u>(5,362)</u>	<u>-</u>	<u>(5,362)</u>
Loss for the period	<u>(8,866)</u>	<u>(6,913)</u>	<u>(8,062)</u>	<u>(4,034)</u>
Other comprehensive income, net of taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>(8,866)</u>	<u>(6,913)</u>	<u>(8,062)</u>	<u>(4,034)</u>
Profit attributable to :				
Owners of the Company	(8,866)	(6,913)	(8,062)	(4,034)
Minority interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period	<u>(8,866)</u>	<u>(6,913)</u>	<u>(8,062)</u>	<u>(4,034)</u>
Total comprehensive income attributable to:				
Owners of the Company	(8,866)	(6,913)	(8,062)	(4,034)
Minority interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>(8,866)</u>	<u>(6,913)</u>	<u>(8,062)</u>	<u>(4,034)</u>
Earnings per ordinary share (sen)				
Basic	(12.55)	(10.95)	(11.41)	(6.39)
Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The unaudited condensed Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010

THETA EDGE BERHAD (260002-W)
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**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Unaudited As At 30/06/2011 RM'000	Audited As At 31/12/2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,719	8,725
Goodwill on consolidation	657	-
Intangible assets	3,071	2,142
Deferred income tax assets	3,902	3,902
	15,349	14,769
Current assets		
Inventories	13,264	16,283
Receivables	33,107	44,807
Deposits, cash and bank balances	41,090	8,514
	87,461	69,604
Total assets	102,810	84,373
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	76,754	63,104
Share application monies	30,487	-
Share option reserve	1,097	-
Reserves	(18,135)	(10,073)
Shareholder's fund / Total equity	90,203	53,031
LIABILITIES		
Current liabilities		
Payables	12,412	23,310
Bank overdrafts	195	195
Bank borrowings	-	7,837
	12,607	31,342
Total liabilities	12,607	31,342
Total equity and liabilities	102,810	84,373

The unaudited condensed Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2011**

	<u>Non-distributable</u>			<u>Distributable</u>		Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Application Monies RM'000	Share Option Reserve RM'000	Reserves Attributable To Capital RM'000	Reserves Attributable To Revenue RM'000			
<u>6 months ended 30 June 2010</u>								
At 1 January 2010 (audited)	63,104	-	-	(7,773)	(5,747)	49,584	1,020	50,604
Deconsolidation	-	-	-	7,773	(5,362)	2,412	(1,020)	1,392
Comprehensive income for the financial period	-	-	-	-	1,328	1,328	-	1,328
At 30 June 2010 (Unaudited)	<u>63,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,781)</u>	<u>53,324</u>	<u>-</u>	<u>53,324</u>
<u>6 months ended 30 June 2011</u>								
At 1 January 2011 (audited)	63,104	-	-	-	(10,073)	53,031	-	53,031
Issue of shares								
- acquisition of a subsidiary company	13,650	-	-	-	-	13,650	-	13,650
- Share application monies		30,487	-	-	-	30,487	-	30,487
Employee costs pursuant to grant of ESOS	-	-	1,097	-	-	1,097	-	1,097
Comprehensive loss for the financial period	-	-	-	-	(8,062)	(8,062)	-	(8,062)
At 30 June 2011 (Unaudited)	<u>76,754</u>	<u>30,487</u>	<u>1,097</u>	<u>-</u>	<u>(18,135)</u>	<u>90,203</u>	<u>-</u>	<u>90,203</u>

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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011 (Unaudited)**

	6 Months Ended	
	30/6/2011	30/6/2010
	RM'000	RM'000
Cash flow used in operating activities		
Net loss before taxation	(8,062)	(4,034)
Adjustments for:		
Depreciation	1,198	432
Borrowing costs	187	871
Income from Short term investments	(116)	(76)
Taxation	-	11
Employee costs pursuant to grant of ESOS	1,097	-
Allowances and other non cash items	3,326	5,495
Operating (loss) / profit before working capital changes	(2,370)	2,699
Movements in working capital		
Decrease/(Increase) inventories	279	(7,859)
Decrease/(Increase) In receivables	19,825	(23,866)
Decrease in payables	(10,024)	(7,463)
Cash flow from/(used in) operations	7,710	(36,489)
Taxation paid	-	(23)
Borrowing costs paid	(187)	(871)
Income from Short term investments received	116	76
Net cash flow from/(used in) operating activities	7,639	(37,307)
Cash flow from / (used in) investing activities		
Increase in development cost	(929)	(354)
Net cash flow from acquisition of a subsidiary company	3,299	-
Purchase of property, plant & equipment	(83)	(1,130)
	2,287	(1,484)
Cash flow from financing activities		
Proceeds from issuance of shares	30,487	-
Bank borrowings	(7,837)	22,143
Hire purchase payable	-	(25)
	22,650	22,118
Net movement in cash and cash equivalents	32,576	(16,673)
Cash and cash equivalents at beginning of financial period	8,319	23,578
Cash and cash equivalents at end of financial period	40,895	6,905
Cash and cash equivalents consist of:		
Cash & bank balances	4,541	10,078
Deposits	36,549	-
Bank overdrafts	(195)	(3,173)
	40,895	6,905

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010.