

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

QUARTERLY REPORT

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2011 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2010 RM'000	Current Year To Date Ended 30/09/2011 RM'000	Preceding Year Corresponding Period Ended 30/09/2010 RM'000
1. Revenue	12,070	22,455	42,444	73,879
2. Gross Profit	70	4,393	4,652	14,417
3. Profit/(loss) before tax and exceptional items	(2,421)	(976)	(10,483)	363
4. Profit/(loss) after tax and before exceptional items	(2,447)	(980)	(10,509)	348
5. Loss for the period	(2,447)	(980)	(10,509)	(5,014)
6. Loss attributable to owners of the Company	(2,447)	(980)	(10,509)	(5,014)
7. Basic loss per share (sen)	(2.86)	(1.55)	(12.26)	(7.94)
8. 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)			0.82	0.84

Additional Information

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2011 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2010 RM'000	Current Year To Date Ended 30/09/2011 RM'000	Preceding Year Corresponding Period Ended 30/09/2010 RM'000
1. Gross income from short term investments	364	55	470	131
2. Gross borrowing costs	(25)	(70)	(212)	(941)

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2011 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2010 RM'000	Current Year To Date Ended 30/09/2011 RM'000	Preceding Year Corresponding Period Ended 30/09/2010 RM'000
Revenue	12,070	22,455	42,444	73,879
Cost of sales	(12,000)	(18,062)	(37,792)	(59,462)
Gross Profit	<u>70</u>	<u>4,393</u>	<u>4,652</u>	<u>14,417</u>
Income from short term investments	364	55	470	131
Other operating income	-	5	-	44
Operating expenses	<u>(2,751)</u>	<u>(3,760)</u>	<u>(9,703)</u>	<u>(11,121)</u>
Profit/(loss) from operations	(2,317)	693	(4,581)	3,471
Depreciation	(581)	(207)	(1,779)	(639)
Borrowing costs	(25)	(70)	(212)	(941)
Employee costs pursuant to grant of ESOS	-	-	(1,097)	-
Allowances and non cash expenses	<u>502</u>	<u>(1,392)</u>	<u>(2,814)</u>	<u>(1,528)</u>
Profit/(loss) before taxation	(2,421)	(976)	(10,483)	363
Taxation	<u>(26)</u>	<u>(4)</u>	<u>(26)</u>	<u>(15)</u>
Profit/(loss) after tax and before exceptional item	(2,447)	(980)	(10,509)	348
Exceptional Item	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,362)</u>
Loss for the period	<u>(2,447)</u>	<u>(980)</u>	<u>(10,509)</u>	<u>(5,014)</u>
Other comprehensive income, net of taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>(2,447)</u>	<u>(980)</u>	<u>(10,509)</u>	<u>(5,014)</u>
Loss attributable to :				
Owners of the Company	(2,447)	(980)	(10,509)	(5,014)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period	<u>(2,447)</u>	<u>(980)</u>	<u>(10,509)</u>	<u>(5,014)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(2,447)	(980)	(10,509)	(5,014)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>(2,447)</u>	<u>(980)</u>	<u>(10,509)</u>	<u>(5,014)</u>
Loss per ordinary share (sen)				
Basic	(2.86)	(1.55)	(12.26)	(7.94)
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 SEPTEMBER 2011**

	Unaudited As At 30/09/2011 RM'000	Audited As At 31/12/2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,312	8,725
Goodwill on consolidation	657	-
Intangible assets	3,289	2,142
Deferred income tax assets	3,902	3,902
	15,160	14,769
Current assets		
Inventories	15,834	16,283
Receivables	31,761	44,807
Deposits, cash and bank balances	35,633	8,514
	83,228	69,604
Total assets	98,388	84,373
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	107,241	63,104
Share option reserve	1,097	-
Reserves	(20,582)	(10,073)
Shareholder's fund / Total equity	87,756	53,031
LIABILITIES		
Current liabilities		
Payables	9,582	23,310
Hire Purchase	20	-
Bank overdrafts	957	195
Bank borrowings	-	7,837
	10,559	31,342
Non Current liabilities		
Hire Purchase	73	-
	73	-
Total liabilities	10,632	31,342
Total equity and liabilities	98,388	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 SEPTEMBER 2011**

	<u>Non-distributable</u>			<u>Distributable</u>				
	Share Capital RM'000	Share Application Monies RM'000	Share Option Reserve RM'000	Reserves Attributable To Revenue RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000	
<u>9 months ended 30 September 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	-	-	-	348	348	-	348	
At 30 Sept 2010 (Unaudited)	<u>63,104</u>	<u>-</u>	<u>-</u>	<u>(10,761)</u>	<u>52,344</u>	<u>-</u>	<u>52,344</u>	
<u>9 months ended 30 Sept 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	
- New shares issued	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	-	-	-	(10,509)	(10,509)	-	(10,509)	
At 30 Sept 2011 (Unaudited)	<u>107,241</u>	<u>-</u>	<u>1,097</u>	<u>(20,582)</u>	<u>87,756</u>	<u>-</u>	<u>87,756</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 SEPTEMBER 2011**

	9 Months Ended	
	30/9/2011	30/9/2010
	RM'000	RM'000
Cash flow (used in)/from operating activities		
Net profit/(loss) before taxation	(10,483)	363
Adjustments for:		
Depreciation	1,779	639
Borrowing costs	212	941
Income from Short term investments	(470)	(131)
Other Income	-	(44)
Employee costs pursuant to grant of ESOS	1,097	-
Allowances and other non cash items	2,814	1,528
Operating (loss) / profit before working capital changes	(5,051)	3,296
Movements in working capital		
Increase in inventories	(2,227)	(1,776)
Decrease/(Increase) In receivables	22,552	(24,986)
Decrease in payables	(13,681)	(3,132)
Cash flow from/(used in) operations	1,593	(26,598)
Taxation paid	(26)	-
Borrowing costs paid	(212)	(941)
Income from Short term investments received	470	131
Net cash flow from/(used in) operating activities	1,825	(27,408)
Cash flow from / (used in) investing activities		
Acquisition of property, plant & equipment	(269)	(1,114)
Increase in development cost	(1,147)	(128)
Net cash flow from acquisition of a subsidiary company	3,299	-
	1,883	(1,242)
Cash flow from financing activities		
Proceeds from issuance of shares	30,487	-
Bank borrowings	(7,837)	13,213
Hire purchase payable	-	(25)
	22,650	13,188
Net movement in cash and cash equivalents	26,357	(15,462)
Cash and cash equivalents at beginning of financial period	8,319	23,578
Cash and cash equivalents at end of financial period	34,676	8,116
Cash and cash equivalents consist of:		
Cash & bank balances	4,412	9,972
Deposits	31,221	-
Bank overdrafts	(957)	(1,856)
	34,676	8,116

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.