

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

QUARTERLY REPORT

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2012

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/6/2012 RM'000	Preceding Year Corresponding Quarter Ended 30/6/2011 RM'000	Current Year To Date Ended 30/6/2012 RM'000	Preceding Year Corresponding Period Ended 30/6/2011 RM'000
1. Revenue	17,026	9,139	36,396	30,374
2. Gross Profit	745	(309)	2,401	4,582
3. Loss before tax and exceptional items	(2,650)	(8,866)	(4,142)	(8,062)
4. Loss after tax and before exceptional items	(2,650)	(8,866)	(4,144)	(8,062)
5. Loss for the period	(2,650)	(8,866)	(4,144)	(8,062)
6. Loss attributable to owners of the Company	(2,650)	(8,866)	(4,144)	(8,062)
7. Basic loss per share (sen)	(2.47)	(12.55)	(3.86)	(11.41)
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)			0.77	0.80

Additional Information

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/6/2012 RM'000	Preceding Year Corresponding Quarter Ended 30/6/2011 RM'000	Current Year To Date Ended 30/6/2012 RM'000	Preceding Year Corresponding Period Ended 30/6/2011 RM'000
1. Gross income from short term investments	152	76	337	116
2. Gross borrowing costs	(114)	(5)	(158)	(187)

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**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/6/2012 RM'000	Preceding Year Corresponding Quarter Ended 30/6/2011 RM'000	Current Year To Date Ended 30/6/2012 RM'000	Preceding Year Corresponding Period Ended 30/6/2011 RM'000
Revenue	17,026	9,139	36,396	30,374
Cost of sales	(16,281)	(9,448)	(33,995)	(25,792)
Gross Profit	<u>745</u>	<u>(309)</u>	<u>2,401</u>	<u>4,582</u>
Income from short term investments	152	76	337	116
Operating expenses	<u>(2,725)</u>	<u>(3,621)</u>	<u>(5,305)</u>	<u>(6,952)</u>
Loss from operations	(1,828)	(3,854)	(2,567)	(2,254)
Depreciation	(968)	(584)	(1,732)	(1,198)
Borrowing costs	(114)	(5)	(158)	(187)
Employee costs pursuant to grant of ESOS	-	(1,097)	-	(1,097)
Allowances and non cash expenses	<u>260</u>	<u>(3,326)</u>	<u>315</u>	<u>(3,326)</u>
Loss before taxation	(2,650)	(8,866)	(4,142)	(8,062)
Taxation	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Loss after tax and before exceptional item	(2,650)	(8,866)	(4,144)	(8,062)
Exceptional Item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period	(2,650)	(8,866)	(4,144)	(8,062)
Other comprehensive income, net of taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	(2,650)	(8,866)	(4,144)	(8,062)
Loss attributable to :				
Owners of the Company	(2,650)	(8,866)	(4,144)	(8,062)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period	(2,650)	(8,866)	(4,144)	(8,062)
Total comprehensive loss attributable to:				
Owners of the Company	(2,650)	(8,866)	(4,144)	(8,062)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	(2,650)	(8,866)	(4,144)	(8,062)
Loss per ordinary share (sen)				
Basic	(2.47)	(12.55)	(3.86)	(11.41)
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 2011

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**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Unaudited As At 30/6/2012 RM'000	Audited As At 31/12/2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,909	7,476
Investment	3,000	-
Goodwill on consolidation	657	657
Intangible assets	3,312	2,972
Deferred income tax assets	3,902	3,902
	19,780	15,007
Current assets		
Inventories	18,402	17,560
Receivables	32,752	33,690
Deposits, cash and bank balances	25,145	33,086
	76,299	84,336
Total assets	96,079	99,343
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	107,241	107,241
Reserves	(25,115)	(20,971)
Shareholder's fund / Total equity	82,126	86,270
LIABILITIES		
Current liabilities		
Payables	9,292	11,544
Hire Purchase	49	20
Bank overdrafts	842	441
Bank borrowings	3,600	1,000
	13,783	13,005
Non Current liabilities		
Hire Purchase	170	68
	170	68
Total liabilities	13,953	13,073
Total equity and liabilities	96,079	99,343

The unaudited condensed Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2012**

	<u>Non-distributable</u>		<u>Distributable</u>	Total Equity RM'000
	Share Capital RM'000	Other Reserves RM'000	Reserves Attributable To Revenue RM'000	
<u>6 months ended 30 June 2011</u>				
At 1 January 2011 (audited)	63,104	-	(10,073)	53,031
Issues of Shares				
- acquisition of subsidiary company	13,650	-	-	13,650
- share application monies	30,487	-	-	30,487
Employee costs pursuant to grant of ESOS	-	1,097	-	1,097
Comprehensive loss for the financial period	-	-	(8,062)	(8,062)
	<u>107,241</u>	-	<u>(18,135)</u>	<u>90,203</u>
At 30 June 2011 (Unaudited)	<u>107,241</u>	-	<u>(18,135)</u>	<u>90,203</u>
<u>6 months ended 30 June 2012</u>				
At 1 January 2012 (audited)	107,241	1,897	(22,868)	86,270
Comprehensive loss for the financial period	-	-	(4,144)	(4,144)
	<u>107,241</u>	<u>1,897</u>	<u>(27,012)</u>	<u>82,126</u>
At 30 June 2012 (Unaudited)	<u>107,241</u>	<u>1,897</u>	<u>(27,012)</u>	<u>82,126</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 2011

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	6 Months Ended	
	Unaudited 30/06/2012 RM'000	Unaudited 30/06/2011 RM'000
Cash flow (used in)/from operating activities		
Loss before taxation	(4,142)	(8,062)
Adjustments for:		
Depreciation	1,732	1,198
Borrowing costs	158	187
Income from Short term investments	(337)	(116)
Employee costs pursuant to grant of ESOS	-	1,097
Allowances and other non cash items	(209)	3,326
Operating loss before working capital changes	(2,798)	(2,370)
Movements in working capital		
Increase in inventories	(842)	279
Decrease/(Increase) In receivables	1,689	19,825
Decrease in payables	(2,794)	(10,024)
Cash flow used in operations	(4,745)	7,710
Taxation paid	(2)	-
Borrowing costs paid	(158)	(187)
Income from Short term investments received	337	116
Net cash flow used in operating activities	(4,568)	7,639
Cash flow from / (used in) investing activities		
Acquisition of property, plant & equipment	(3,165)	(83)
Increase in development cost	(340)	(929)
Investment in associate company	(3,000)	-
Net cash flow from acquisition of a subsidiary company	-	3,299
	(6,505)	2,287
Cash flow from financing activities		
Proceeds from issuance of shares	-	30,487
Bank borrowings	2,600	(7,837)
Hire purchase payable	131	-
	2,731	22,650
Net movement in cash and cash equivalents	(8,342)	32,576
Cash and cash equivalents at beginning of financial period	32,645	8,319
Cash and cash equivalents at end of financial period	24,303	40,895
Cash and cash equivalents consist of:		
Cash & bank balances	8,705	4,541
Deposits	16,440	36,549
Bank overdrafts	(842)	(195)
	24,303	40,895

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011