

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

**QUARTERLY REPORT**

**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/9/2012 RM'000	Preceding Year Corresponding Quarter Ended 30/9/2011 RM'000	Current Year To Date Ended 30/9/2012 RM'000	Preceding Year Corresponding Period Ended 30/9/2011 RM'000
1. Revenue	15,630	12,070	52,026	42,444
2. Gross Profit	(287)	70	2,114	4,652
3. Loss before tax and exceptional items	(4,368)	(2,421)	(8,510)	(10,483)
4. Loss after tax and before exceptional items	(4,412)	(2,447)	(8,556)	(10,509)
5. Loss for the period	(4,412)	(2,447)	(8,556)	(10,509)
6. Loss attributable to owners of the Company	(4,412)	(2,447)	(8,556)	(10,509)
7. Basic loss per share (sen)	(4.11)	(2.86)	(7.98)	(12.26)
8. Proposed/Declared dividend per share (sen)	-	-	-	-
			<b>As At End Of Current Quarter</b>	<b>As At Preceding Financial Year End</b>
8. Net assets per share attributable to owners of the Company (RM)			0.72	0.80

**Additional Information**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/9/2012 RM'000	Preceding Year Corresponding Quarter Ended 30/9/2011 RM'000	Current Year To Date Ended 30/9/2012 RM'000	Preceding Year Corresponding Period Ended 30/9/2011 RM'000
1. Gross income from short term investments	97	364	434	470
2. Gross borrowing costs	(58)	(25)	(216)	(212)

**THETA EDGE BERHAD (260002-W)**  
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**QUARTERLY REPORT**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/9/2012 RM'000	Preceding Year Corresponding Quarter Ended 30/9/2011 RM'000	Current Year To Date Ended 30/9/2012 RM'000	Preceding Year Corresponding Period Ended 30/9/2011 RM'000
<b>Revenue</b>	<b>15,630</b>	<b>12,070</b>	<b>52,026</b>	<b>42,444</b>
Cost of sales	(15,917)	(12,000)	(49,912)	(37,792)
<b>Gross Profit</b>	<u>(287)</u>	<u>70</u>	<u>2,114</u>	<u>4,652</u>
Income from short term investments	97	364	434	470
Other operating income	109	-	186	-
Operating expenses	<u>(3,007)</u>	<u>(2,751)</u>	<u>(8,389)</u>	<u>(9,703)</u>
<b>Loss from operations</b>	<b>(3,088)</b>	<b>(2,317)</b>	<b>(5,655)</b>	<b>(4,581)</b>
Depreciation	(855)	(581)	(2,587)	(1,779)
Borrowing costs	(58)	(25)	(216)	(212)
Employee costs pursuant to grant of ESOS	-	-	-	(1,097)
Allowances and non cash expenses	604	502	919	(2,814)
Share of loss of equity-accounted investees	<u>(971)</u>	<u>-</u>	<u>(971)</u>	<u>-</u>
<b>Loss before taxation</b>	<b>(4,368)</b>	<b>(2,421)</b>	<b>(8,510)</b>	<b>(10,483)</b>
Taxation	<u>(44)</u>	<u>(26)</u>	<u>(46)</u>	<u>(26)</u>
<b>Loss for the period</b>	<b>(4,412)</b>	<b>(2,447)</b>	<b>(8,556)</b>	<b>(10,509)</b>
Other comprehensive income, net of taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the period</b>	<b>(4,412)</b>	<b>(2,447)</b>	<b>(8,556)</b>	<b>(10,509)</b>
<b>Loss attributable to :</b>				
Owners of the Company	(4,412)	(2,447)	(8,556)	(10,509)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loss for the period</b>	<b>(4,412)</b>	<b>(2,447)</b>	<b>(8,556)</b>	<b>(10,509)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(4,412)	(2,447)	(8,556)	(10,509)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the period</b>	<b>(4,412)</b>	<b>(2,447)</b>	<b>(8,556)</b>	<b>(10,509)</b>
<b>Loss per ordinary share (sen)</b>				
Basic	(4.11)	(2.86)	(7.98)	(12.26)
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

**THETA EDGE BERHAD** (260002-W)  
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**QUARTERLY REPORT**

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

	Unaudited As At 30/9/2012 RM'000	Audited As At 31/12/2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,315	7,476
Investment	2,029	-
Goodwill on consolidation	657	657
Intangible assets	3,452	2,972
Deferred income tax assets	3,902	3,902
	18,355	15,007
<b>Current assets</b>		
Inventories	17,161	17,560
Receivables	32,792	33,690
Deposits, cash and bank balances	21,972	33,086
	71,925	84,336
<b>Total assets</b>	<b>90,280</b>	<b>99,343</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>		
Share capital	107,241	107,241
Reserves	(29,527)	(20,971)
<b>Shareholder's fund / Total equity</b>	<b>77,714</b>	<b>86,270</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	11,968	11,544
Hire Purchase	56	20
Bank overdrafts	-	441
Bank borrowings	415	1,000
	12,439	13,005
<b>Non Current liabilities</b>		
Hire Purchase	127	68
	127	68
<b>Total liabilities</b>	<b>12,566</b>	<b>13,073</b>
<b>Total equity and liabilities</b>	<b>90,280</b>	<b>99,343</b>

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.

**THETA EDGE BERHAD (260002-W)**  
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**QUARTERLY REPORT**

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

	<u>Non-distributable</u>		<u>Distributable</u>	<b>Total</b> RM'000	<b>Minority</b> <b>Interest</b> RM'000	<b>Total</b> <b>Equity</b> RM'000
	<b>Share</b> <b>Capital</b> RM'000	<b>Other</b> <b>Reserves</b> RM'000	<b>Reserves</b> <b>Attributable</b> <b>To Revenue</b> RM'000			
<b><u>9 months ended 30 September 2011</u></b>						
At 1 January 2011 (audited)	63,104	-	(10,073)	<b>53,031</b>	-	<b>53,031</b>
Issues of Shares						
- acquisition of subsidiary company	13,650	-	-	<b>13,650</b>	-	<b>13,650</b>
- share application monies	30,487	-	-	<b>30,487</b>	-	<b>30,487</b>
Employee cost pursuant to grant of ESOS	-	1,097	-	<b>1,097</b>	-	<b>1,097</b>
Comprehensive loss for the financial period	-	-	(10,509)	<b>(10,509)</b>	-	<b>(10,509)</b>
At 30 September 2011 (Unaudited)	<b>107,241</b>	<b>1,097</b>	<b>(20,582)</b>	<b>87,756</b>	-	<b>87,756</b>
<b><u>9 months ended 30 September 2012</u></b>						
At 1 January 2012 (audited)	107,241	1,896	(22,867)	<b>86,270</b>	-	<b>86,270</b>
Comprehensive loss for the financial period	-	-	(8,556)	<b>(8,556)</b>	-	<b>(8,556)</b>
At 30 September 2012 (Unaudited)	<b>107,241</b>	<b>1,896</b>	<b>(31,423)</b>	<b>77,714</b>	-	<b>77,714</b>

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

**THETA EDGE BERHAD** (260002-W)  
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**QUARTERLY REPORT**

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

	<b>9 Months Ended Unaudited 30/09/2012 RM'000</b>	<b>Unaudited 30/09/2011 RM'000</b>
<b>Cash flow (used in)/from operating activities</b>		
Net loss before taxation	(8,510)	(10,483)
<b>Adjustments for:</b>		
Depreciation	2,587	1,779
Borrowing costs	216	212
Income from Short term investments	(434)	(470)
Employee costs pursuant to grant of ESOS	-	1,097
Allowances and other non cash items	(919)	2,814
Share of loss of equity-accounted investees	971	-
	<b>(6,089)</b>	<b>(5,051)</b>
<b>Operating loss before working capital changes</b>		
<b>Movements in working capital</b>		
Decrease/(Increase) in inventories	399	(2,227)
Decrease/(Increase) In receivables	2,154	22,552
Decrease in payables	87	(13,681)
<b>Cash flow (used in) / from operations</b>	<b>(3,449)</b>	<b>1,593</b>
Taxation paid	(46)	(26)
Borrowing costs paid	(216)	(212)
Income from Short term investments received	434	470
	<b>(3,277)</b>	<b>1,825</b>
<b>Net cash flow (used in) / from operating activities</b>		
<b>Cash flow from investing activities</b>		
Acquisition of property, plant & equipment	(3,426)	(269)
Increase in development cost	(480)	(1,147)
Investment in associated company	(3,000)	-
Net cash flow from acquisition of a subsidiary company	-	3,299
	<b>(6,906)</b>	<b>1,883</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of shares	-	30,487
Bank borrowings	(1,000)	(7,837)
Hire purchase	95	-
	<b>(905)</b>	<b>22,650</b>
<b>Net movement in cash and cash equivalents</b>	<b>(11,088)</b>	<b>26,357</b>
Cash and cash equivalents at beginning of financial period	32,645	8,319
<b>Cash and cash equivalents at end of financial period</b>	<b>21,557</b>	<b>34,676</b>
<b>Cash and cash equivalents consist of:</b>		
Cash & bank balances	4,374	4,412
Deposits	17,598	31,221
Bank overdrafts	(415)	(957)
	<b>21,557</b>	<b>34,676</b>

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