

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

**QUARTERLY REPORT**

**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2014 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM'000	Current Year To Date Ended 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
1. Revenue	35,216	21,488	98,319	94,903
2. Gross Profit	3,640	3,918	8,050	6,123
3. Loss before taxation	(62)	(517)	(7,120)	(8,012)
4. Loss after taxation	(62)	(522)	(7,130)	(8,017)
5. Loss for the period	(62)	(522)	(7,130)	(8,017)
6. Loss attributable to owners of the Company	(62)	(522)	(7,130)	(8,017)
7. Basic Loss per share (sen)	(0.06)	(0.49)	(6.65)	(7.48)
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)			0.60	0.66

**Additional Information**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2014 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM'000	Current Year To Date Ended 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
1. Gross income from short term investments	48	18	309	194
2. Gross borrowing costs	(132)	(231)	(355)	(403)

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

**QUARTERLY REPORT**

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2014 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM'000	Current Year To Date Ended 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
<b>Revenue</b>	<b>35,216</b>	<b>21,488</b>	<b>98,319</b>	<b>94,903</b>
Cost of sales	(31,576)	(17,570)	(90,269)	(88,780)
<b>Gross Profit</b>	<u>3,640</u>	<u>3,918</u>	<u>8,050</u>	<u>6,123</u>
Other operating income	333	(144)	340	233
Operating expenses	<u>(3,019)</u>	<u>(2,575)</u>	<u>(11,278)</u>	<u>(9,532)</u>
<b>Profit/(Loss) from operations</b>	<b>954</b>	<b>1,199</b>	<b>(2,888)</b>	<b>(3,176)</b>
Income from short term investments	48	18	309	194
Depreciation & Amortisation	(811)	(1,137)	(2,694)	(3,806)
Allowances and non cash expenses	6	(226)	(899)	(226)
Borrowing costs	(132)	(231)	(355)	(403)
Share of loss of equity-accounted investees	<u>(127)</u>	<u>(140)</u>	<u>(593)</u>	<u>(595)</u>
<b>Loss before taxation</b>	<b>(62)</b>	<b>(517)</b>	<b>(7,120)</b>	<b>(8,012)</b>
Taxation	-	(5)	(10)	(5)
<b>Loss for the period</b>	<u><b>(62)</b></u>	<u><b>(522)</b></u>	<u><b>(7,130)</b></u>	<u><b>(8,017)</b></u>
Other comprehensive Loss, net of taxation	-	-	-	-
<b>Total comprehensive Loss for the period</b>	<u><b>(62)</b></u>	<u><b>(522)</b></u>	<u><b>(7,130)</b></u>	<u><b>(8,017)</b></u>
<b>Loss attributable to :</b>				
Owners of the Company	(62)	(522)	(7,130)	(8,017)
Non-controlling interest	-	-	-	-
<b>Loss for the period</b>	<u><b>(62)</b></u>	<u><b>(522)</b></u>	<u><b>(7,130)</b></u>	<u><b>(8,017)</b></u>
<b>Total comprehensive Loss attributable to:</b>				
Owners of the Company	(62)	(522)	(7,130)	(8,017)
Non-controlling interest	-	-	-	-
<b>Total comprehensive Loss for the period</b>	<u><b>(62)</b></u>	<u><b>(522)</b></u>	<u><b>(7,130)</b></u>	<u><b>(8,017)</b></u>
<b>Loss per ordinary share (sen)</b>				
Basic	(0.06)	(0.49)	(6.65)	(7.48)
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 2013

**THETA EDGE BERHAD (26002-W)**  
(Incorporated in Malaysia)

**QUARTERLY REPORT**

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	<b>Unaudited As At 31/12/2014 RM'000</b>	<b>Audited As At 31/12/2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,216	5,566
Investment in jointly-controlled entity	675	1,268
Goodwill on consolidation	657	657
Intangible assets	3,524	4,042
Deferred income tax assets	3,902	3,902
	12,974	15,435
<b>Current assets</b>		
Inventories	18,191	17,624
Receivables	32,217	31,112
Deposits, cash and bank balances	19,056	22,191
	69,464	70,927
<b>Total assets</b>	<b>82,438</b>	<b>86,362</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>		
Share capital	107,241	107,241
Reserves	(43,090)	(35,960)
<b>Shareholder's fund / Total equity</b>	<b>64,151</b>	<b>71,281</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	14,080	12,072
Hire Purchase	91	91
Bank borrowings	4,000	2,711
	18,171	14,874
<b>Non Current liabilities</b>		
Hire Purchase	116	207
	116	207
<b>Total liabilities</b>	<b>18,287</b>	<b>15,081</b>
<b>Total equity and liabilities</b>	<b>82,438</b>	<b>86,362</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 2013.

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

**QUARTERLY REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	<u>Non-distributable</u>		<u>Distributable</u>	
	Share Capital RM'000	Other Reserves RM'000	Reserves Attributable To Revenue RM'000	Total Equity RM'000
<b><u>12 months ended 31 December 2013</u></b>				
At 1 January 2013 (audited)	107,241	1,897	(29,840)	<b>79,298</b>
Comprehensive loss for the financial period	-	-	(8,017)	<b>(8,017)</b>
	<u>107,241</u>	<u>1,897</u>	<u>(37,857)</u>	<u><b>71,281</b></u>
At 31 December 2013 (Unaudited)	<u>107,241</u>	<u>1,897</u>	<u>(37,857)</u>	<u><b>71,281</b></u>
<b><u>12 months ended 31 December 2014</u></b>				
At 1 January 2014 (audited)	107,241	1,897	(37,857)	<b>71,281</b>
Comprehensive loss for the financial period	-	-	(7,130)	<b>(7,130)</b>
	<u>107,241</u>	<u>1,897</u>	<u>(44,987)</u>	<u><b>64,151</b></u>
At 31 December 2014 (Unaudited)	<u>107,241</u>	<u>1,897</u>	<u>(44,987)</u>	<u><b>64,151</b></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 2013

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

**QUARTERLY REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	<b>12 Months Ended</b>	
	<b>Unaudited 31/12/2014 RM'000</b>	<b>Audited 31/12/2013 RM'000</b>
<b>Cash flow used in operating activities</b>		
Net loss before taxation	(7,120)	(8,012)
<b>Adjustments for:</b>		
Depreciation & Amortisation of PPE	2,694	3,806
Borrowing costs	355	403
Income from Short term investments	(309)	(194)
Deferred expenditure written off	518	-
Fair value movement	(261)	-
Allowances and other non cash items	642	226
Share of loss of equity-accounted investees	593	595
	<hr/>	<hr/>
<b>Operating loss before working capital changes</b>	<b>(2,888)</b>	<b>(3,176)</b>
<b>Movements in working capital</b>		
Inventories	(567)	(1,692)
Receivables	(1,491)	9,392
Payables	2,008	(215)
	<hr/>	<hr/>
<b>Cash flow (used in)/from operations</b>	<b>(2,938)</b>	<b>4,309</b>
Taxation paid	(16)	(56)
Taxation refund	11	85
Borrowing costs paid	(355)	(403)
Income from Short term investments received	309	194
	<hr/>	<hr/>
<b>Net cash flow (used in)/from operating activities</b>	<b>(2,989)</b>	<b>4,129</b>
<b>Cash flow used in investing activities</b>		
Acquisition of property, plant & equipment	(2,043)	(1,443)
Proceeds from disposal of property, plant & equipment	699	19
Change in development cost	-	(477)
	<hr/>	<hr/>
	(1,344)	(1,901)
<b>Cash flow from financing activities</b>		
Bank borrowings	1,289	2,211
Hire purchase	(91)	(90)
	<hr/>	<hr/>
	1,198	2,121
	<hr/>	<hr/>
<b>Net movement in cash and cash equivalents</b>	<b>(3,135)</b>	<b>4,349</b>
Cash and cash equivalents at beginning of financial period	22,191	17,842
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<b>Cash and cash equivalents at end of financial period</b>	<b>19,056</b>	<b>22,191</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents consist of:</b>		
Cash & bank balances	4,259	9,238
Deposits	14,797	12,953
	<hr/>	<hr/>
	<b>19,056</b>	<b>22,191</b>
	<hr/>	<hr/>

Included in the cash and cash equivalents is RM3.7 million which is placed in the short term deposit as security for Bank Guarantees issued.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013

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

**QUARTERLY REPORT**

**(A) Notes to the Condensed Consolidated Interim Financial Statements**

**A.1 Basis of preparation and significant accounting policies**

This interim financial report is based on the unaudited financial statements for the year ended 31 December 2014 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS134, *Interim Financial Reporting* in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013.

For the periods up to and including the year ended 31 December 2013, the Group prepared its financial statement in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS")

The adoption of the MFRSs and Amendments do not have any material impact on the financial statements of the Group and of the Company.

**A.2 Report On The Financial Statements**

The auditors' report on the financial statement for the financial year ended 31 December 2013 was not qualified.

**A.3 Seasonality and cyclicity of operations**

The Group's business operations were not materially affected by any seasonal or cyclical factors.

**A.4 Unusual items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter under review and financial year to date.

**A.5 Changes in estimates**

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter under review and financial year to date.

**A.6 Debt and equity securities**

The Group was not involved in any issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year to date.

**A.7 Dividends**

No dividends have been declared and paid during the current quarter under review and financial year to date.

## A.8 Segmental reporting

Segmental reporting for the financial year to date is as follows:

<b>Group Financial year ended 31 December 2014</b>	<b>Information &amp; Communication Technology RM '000</b>	<b>Investment Holding And Others RM '000</b>	<b>Total RM '000</b>
<b><u>Revenue</u></b>			
Total Revenue	98,319	-	98,319
<b><u>Results</u></b>			
Profit/(Loss) from operations before depreciation, non-cash item & borrowing costs	1,561	(4,449)	(2,888)
Depreciation	(2,630)	(64)	(2,694)
Allowance & non	(899)	-	(899)
Loss from operations	(1,968)	(4,513)	(6,481)
Income from short term borrowings, net			(46)
Share of loss of equity-accounted investees			(593)
Loss before taxation			(7,120)
Taxation			(10)
Net loss for the period			(7,130)
<b><u>Other information</u></b>			
Total asset	77,075	5,363	82,438

Analysis by geographical segments has not been presented as the operations of the Group are in Malaysia.

## A.9 Valuation of property, plant and equipment

The valuations of all property, plant and equipment have been brought forward without amendment from the previous financial statements ended 31 December 2013.

## A.10 Subsequent events

There were no material events subsequent to the end of the current quarter.

## A.11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year ended 31 December 2014.

**A.12 Changes in contingent liabilities and contingent assets**

(A) There were no contingent assets for the current financial year to date.

(B) The changes in the Group's contingent liabilities are as follows:

- (a) Bank guarantees issued to mainly trade customers increased from RM6,930,732 to RM7,818,019 for the quarter.

**A.13 Material Litigation**

(A) Informential Sdn Bhd ("ISB") v. Theta Edge Berhad ("THETA") & 4 ors

On 17 May 2012, a Writ of Summons and Statement of Claim was served on Theta by ISB to claim the following:-

- (i) A declaration that the 1st, 2nd, 3rd, 4th and 5th defendants or any of them have together conspired to act fraudulently against ISB to deprive ISB from recovering on its judgment against Lityan Systems Sdn. Bhd. ("LSSB") obtained in Kuala Lumpur High Court Suit No S1-22-1665-2004;
- (ii) A declaration that the 1st, 2nd, 3rd, 4th and 5th defendants or any of them have breached Section 257 of the Companies Act, 1965;
- (iii) Damages in the sum of RM2,105,585.23 outstanding as at 3 May 2012;
- (iv) Aggravated and/or exemplary damages;
- (v) Interest at the rate of 4% per annum on any judgment sum from the date this Writ of Summons is filed until full settlement;
- (vi) Costs;
- (vii) Such further and other relief as the Honourable Court deems fit.

The Court had on 23 January 2013 dismissed the Defendants' Application to strike out the civil suit with cost awarded to the Plaintiff in the sum of RM5,000.00 only. The trial commenced on 19 August 2013 and concluded on 10 July 2014. The Defendant had filed their written submission to the Court on 20 October 2014 and the Plaintiff had filed their written submission to the Court on 23 October 2014. The matter is now pending the decision from the Court. The solicitors for the Company is of the opinion that the Writ of Summons has no legal basis and that the Defendant has a strong and credible defense. No losses are expected to arise from the Writ of Summons and it is not expected to have any material financial or operational impact on the Company. The Honourable Court has fixed the Decision Date for the case on 27 February 2015.



(B) Impianas Sdn Bhd v Tenaga Nasional Berhad

On 25 September 2014 the sealed copy of the Writ of Summon has been served by Theta Edge Berhad's wholly-owned subsidiary, Impianas Sdn Bhd ("ISB") on Tenaga Nasional Berhad ("TNB") to claim the following:-

- (a) The payment of a sum of RM11,391,357.08;
- (b) Interest at the rate of 8% per annum calculated on daily basis on the sum of RM11,391,357.08 starting from 7th November 2008 until the date of full settlement;
- (c) the sum of RM2.550 million;
- (d) General damages to be assessed by this Honourable Court and paid forthwith by TNB to ISB;
- (e) Exemplary damages to be assessed by this Honourable Court and paid immediately by TNB;
- (f) Interest at the rate of 4% per annum on any judgment sum from the date of the Writ of Summons is filed until full settlement;
- (g) Costs;
- (h) Such further and other relief as the Honourable Court deems fit.

The Writ of Summon is filed following the breach by TNB of an Agreement dated 22 May 2007 executed between ISB and TNB for the Supply of Remote Meter Reading (RMR) System Low Voltage for Large Power Consumers amounting to RM57.44 million. On 7 November 2008, TNB has unilaterally and without reasonable ground, suspended the project for non-satisfactory performance, solely alleging that the RMR boxes which have been installed by ISB were defective.

ISB had taken every effort to remedy the situation including taking additional initiatives and costs to assist in areas out of its scope on factors which were also contributing to the performance, as required by TNB. Due to the actions of TNB, ISB has suffered losses and damages. The contract had expired on 31 January 2011. ISB is claiming for the remaining balance of the contract sum of RM11,391,357.08.

As per the announcement made on 14 November 2014, TNB had filed their Defence and Counterclaim against the Writ of Summon which had been served on them. In addition to denying some of the claims made in the Writ of Summons against them, TNB had claimed that all payments made to-date by TNB to ISB and/or directly to a vendor amounting RM47,280,032.00, for any portion of the RMR System which was supplied, installed and commissioned by ISB, was made under a mistake or without realization that the said RMR system was not fit for purpose and/or not in accordance with the Contract. Therefore TNB had filed a Counterclaim against ISB for:

- (a) The Sum of RM47,280,032.00 being reimbursement of all sums paid by TNB to ISB to-date;
- (b) In the alternative, a sum to be assessed by the Honourable Court for the diminution in value of the portion of the RMR System supplied, installed and commissioned by ISB;

- (c) Interest at the rate of 6% on the adjudged sum from the date of judgement till full settlement;
- (d) Costs;
- (e) Such further or other reliefs that the Honourable Court deems fit.

No losses are expected to arise from the Writ of Summons. The Writ is not expected to have any material impact on the operations of the Company.

The filing of the Defense and Counterclaim is not expected to have financial and operational impact on the the Company. However, in the event that TNB is successful in its counter claim against ISB, there would be material negative financial impact to the earnings per share and net assets per share of the Company.

Based on the facts on hand, the Company is of the opinion that the Counterclaim filed is baseless and without merit.

In the Case Management on 20.1.2015, the court has now fixed the matter for full trial on 13 April 2015 , 14 April 2015 and 22 April 2015. Parties are required to file the common bundle of documents by the next case management. The Defendant's solicitors have also indicated that they may amend their Defence and Counterclaim and the court has fixed the case management date also on 4.2.2015 to update the court on the application to amend.

During the case management on 12.2.2015 TNB's application to amend the Defence and Counterclaim was allowed by the Judge and ISB has been given time till 27.2.2015 to file the Reply to the Defence and Counterclaim. ISB Solicitors also have notified the Learned Judge that ISB has the intention to proceed with mediation of the matter and the Learned Judge has fixed the matter for mediation on 27.2.2015.

In the meantime, the Judge has directed that parties are to ensure that the Bundle of Documents are filed and exchanged by 20.3.2015.

#### **A.14 Capital Commitments**

There were no major capital commitments for the Group as at the date of this report.

**A.15 Related Party Transactions**

The related party transactions of the Group had been entered into in the ordinary course of business. Below are the significant transactions and balances with related parties of the Group during the current financial period.

<b>Related Parties</b>	<b>Transactions</b>	<b>Transactions for the period ended 31 December 2014 RM '000</b>	<b>Balance due from / (to) as at 31 December 2014 RM '000</b>
Lembaga Tabung Haji	Sales for Equipment and Services rendered	12,561	51
TH Plantations Berhad	Sales for Equipment and Services rendered	598	141
THP Development Consultancy Sdn Bhd	Sales for Equipment and Services rendered	710	373
TH Heavy Engineering Berhad	Sales for Equipment and Services rendered	3,410	1,513
	Leasing of Computer Equipment	88	142
TH Travel & Services Sdn Bhd	Sales for Equipment and Services rendered	23	-
TH Properties Sdn Bhd	Sales for Equipment and Services rendered	289	20
	Leasing of Computer Equipment	87	76

## **(B) Notes to the Interim Financial Statements (revised BMSB Listing Requirements)**

### **B.1 Review of performance**

The Group reported a revenue of RM 98.3 million and a loss before taxation of RM 7.1 million for the year ended 31 December 2014 as compared to the revenue and loss before taxation for the same period in the previous year of RM 94.9 million and RM 8.0 million respectively.

The higher revenue in the current period was mainly due to the higher volume from trading segment. The improvement of loss from operations and loss before taxation was due to the improvement in gross margins in the current period, which was mainly contributed by higher composition of revenue from the services segment.

### **B.2 Material changes in quarterly results**

The Group's revenue for the current quarter increased to RM 35.2 million as compared to that of RM 26.0 million for the immediate preceding quarter. The Group reported loss before taxation of RM 62K for the current period as compared to the loss before taxation of RM 1.7 million in the immediate preceding quarter.

### **B.3 Prospects**

ICT spending in Malaysia is expected to cross the RM70 billion mark according to PIKOM. 2015 will see initiatives largely driven by Government, to globalize, increase competitiveness, promote human capital development, lead the digital trend and accelerate growth of demand in the Malaysian ICT industry. The growth of the telecommunication and communication industry is expected to remain strong with the roll-out of the long term evolution network (LTE) by telecommunication providers.

However, the Group expects 2015 to remain challenging year in light of the implementation of the Goods and Services Tax as well as the reduction in operating and capital expenditure spending by the Government and certain industries in view of the changes in the economic climate.

There are no changes to the Group's strategies and action plans. Strong focus and emphasis on execution and productivity to realize the action plans. The Group will also continue to leverage on the support of its major shareholder and its Group of companies.

The Group expects that the results for the financial year 2015 will be better than 2014.

### **B.4 Statement of the Board of Directors' opinion on profit forecast and profit guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

## B.5 Loss before Tax

The following amounts have been included in arriving at loss before tax:

	<b>Current Quarter Ended 31/12/2014 RM'000</b>	<b>Current Year To Date Ended 31/12/2014 RM'000</b>
Depreciation	811	2,694
Deferred expenditure written off	(387)	518
Income from short term investments	(48)	(309)
Fair value movement	(261)	(261)
Allowance & bad debts written off	642	642
Borrowing costs	132	355

## B.6 Taxation

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter Ended 31/12/2014 RM '000</b>	<b>Preceding Year Corresponding Quarter Ended 31/12/2013 RM '000</b>	<b>Current Year To Date Ended 31/12/2014 RM '000</b>	<b>Preceding Year Corresponding Period Ended 31/12/2013 RM '000</b>
<b>Corporate Income Tax</b>				
Current Year	-	5	-	5
Under provision for previous period	10	-	10	-
	<u>10</u>	<u>5</u>	<u>10</u>	<u>5</u>

## B.7 Sale of unquoted investments and/or properties

The Group was not involved in any sale of unquoted investments and/or properties during the quarter under review.

## B.8 Quoted securities

There were no quoted securities held by the Group.

## B.9 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 20 February 2015 the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

### (a) Employee Share Option Scheme (“ESOS”)

At an Extraordinary General Meeting on 11 May 2011, the Company's shareholders approved the establishment of a five (5) year ESOS of up to ten percent (10%) of the issued and paid-up capital of the Company, commencing from the effective date of 12 May 2011.

Set out below are the details of options over the ordinary shares of the Company under the ESOS:

Option Date	Option Expiry Date	Exercise Price	Number Of Options Over Ordinary Shares of RM1.00			
			Granted as at 14/6/2011	Exercised	Lapsed/ Cancelled	As at 31/12/2014
1/6/2011	31/5/2016	RM1.05	5,909,000	-	(2,945,000)	2,964,000

## B.10 Group borrowings

Details of the Group's borrowings as at the end of the reporting period are as follows:

### Short Term Borrowings

	31/12/2014 RM '000	31/12/2013 RM '000
<b>Unsecured</b>		
Revolving Credit	4,000	1,000
Trust Receipts	-	1,711
<b>Total</b>	<b>4,000</b>	<b>2,711</b>

### Hire Purchase

	31/12/2014 RM '000	31/12/2013 RM '000
Repayable within 12 months	91	91
Payable more than 12 months	116	207
<b>Total</b>	<b>207</b>	<b>298</b>

All the borrowings are denominated in Ringgit Malaysia.

**B.11 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at 20 February 2015, the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

**B.12 Changes in fair value of financial instruments**

The carrying amounts of the financial instruments of the Group as at the balance sheet date approximate their fair values due to relatively short term maturity of these financial instruments.

**B.13 Changes in material litigations**

Other than those indicated in Note A13 to the Interim Financial Statements MFRS134, there were no changes in material litigations as at 20 February 2015, the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

**B.14 Dividends**

No dividends have been paid, declared or proposed since the end of the Company's previous financial year. The Directors do not recommend any interim dividend for the period under review.

**B.15 Loss per share**

The basic loss per share for the quarter and year to date ended 31 December 2014 are computed as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Net loss (RM'000)	( 62)	(522)	( 7,130)	( 8,017)
Weighted average number of ordinary shares in issue ('000)	107,241	107,241	107,241	107,241
Basic LPS (sen)	( 0.06)	(0.49)	( 6.65)	( 7.48)
Diluted LPS (sen)	-	-	-	-

Diluted LPS is not computed due to the anti-dilutive effect.

**B.16 Realised and Unrealised Retained Profits**

In relation to the Directive by BMSB on 25 March 2010, the determination of realized and unrealized profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to BMSB Listing Requirements, issued by the Malaysian Institute Of Accountants on 20 December 2010.

	<b>31/12/2014 RM'000</b>	<b>31/12/2013 RM'000</b>
Breakdown of accumulated losses of the Group		
- Realised	(96,962)	( 70,913)
- Unrealised*	3,902	3,902
Less: Consolidation adjustments	48,073	29,154
<b>Total Group Retained Losses</b>	<b>(44,987)</b>	<b>( 37,857)</b>

\*Unrealised retained profits/accumulated losses comprise mainly of the recognised deferred tax asset of which probable tax profit will be available against which the deductible temporary differences can be utilized.

**B.17 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 February 2015.