

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

QUARTERLY REPORT

SUMMARY OF KEY UNAUDITED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

	Individual Period			Cumulative Period		
	Current Year Quarter 30/09/2017 RM'000	Preceding Year Corresponding Quarter 30/09/2016 RM'000	Changes (%)	Current Year To-date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000	Changes (%)
1. Revenue	22,058	30,434	-28%	56,546	110,375	-49%
2. Gross Profit	9,680	6,469	50%	13,268	23,989	-45%
3. Profit/(loss) before taxation	5,981	(122)	> 100%	(1,383)	1,051	> -100%
4. Profit/(loss) after taxation	5,961	(122)	> 100%	(1,409)	1,051	> -100%
5. Profit/(loss) for the period	5,961	(122)	> 100%	(1,409)	1,051	> -100%
6. Profit/(loss) attributable to owners of the Company	5,961	(122)	> 100%	(1,409)	1,051	> -100%
7. Profit/(loss) per share (sen)	5.56	(0.11)	> 100%	(1.31)	0.98	> -100%
8. Proposed/Declared dividend per share (sen)	-	-		-	-	

	As At End Of Current Financial Year End RM	As At Preceding Financial Year End RM	Changes %
9. Net assets per share attributable to owners of the Company	0.62	0.64	-3%

Additional Information

	Individual Period			Cumulative Period		
	Current Year Quarter 30/09/2017 RM'000	Preceding Year Corresponding Quarter 30/09/2016 RM'000	Changes (%)	Current Year To-date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000	Changes (%)
1. Gross Finance income	130	181	-28%	495	299	66%
2. Gross Finance costs	(161)	(77)	109%	(528)	(1,294)	-59%

THETA EDGE BERHAD (260002-W)

(Incorporated in Malaysia)

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UNAUDITED CONDENSED STATEMENTS OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2017 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2016 RM'000	Current Year Period Ended 30/09/2017 RM'000	Preceding Year Corresponding Period Ended 30/09/2016 RM'000
Revenue	22,058	30,434	56,546	110,375
Cost of sales	(12,378)	(23,965)	(43,278)	(86,386)
Gross Profit	<u>9,680</u>	<u>6,469</u>	<u>13,268</u>	<u>23,989</u>
Other operating income	2,741	-	3,462	12
Operating expenses	(4,202)	(4,105)	(11,483)	(11,675)
Profit from operations	<u>8,219</u>	<u>2,364</u>	<u>5,247</u>	<u>12,326</u>
Finance income	130	181	495	299
Depreciation	(2,019)	(2,363)	(6,068)	(5,439)
Allowances and non cash expenses	(184)	(226)	(525)	(4,733)
Finance costs	(161)	(77)	(528)	(1,294)
Share of losses of equity-accounted joint venture, net of tax	(4)	(1)	(4)	(108)
Profit/(loss) before taxation	<u>5,981</u>	<u>(122)</u>	<u>(1,383)</u>	<u>1,051</u>
Taxation	(20)	-	(26)	-
Profit/(loss) for the period	<u>5,961</u>	<u>(122)</u>	<u>(1,409)</u>	<u>1,051</u>
Other comprehensive profit/(loss), net of taxation	-	-	-	-
Total comprehensive profit/(loss) for the period	<u>5,961</u>	<u>(122)</u>	<u>(1,409)</u>	<u>1,051</u>
Profit/(loss) attributable to :				
Owners of the Company	5,961	(122)	(1,409)	1,051
Non-controlling interest	-	-	-	-
Profit/(loss) for the period	<u>5,961</u>	<u>(122)</u>	<u>(1,409)</u>	<u>1,051</u>
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	5,961	(122)	(1,409)	1,051
Non-controlling interest	-	-	-	-
Total comprehensive profit/(loss) for the period	<u>5,961</u>	<u>(122)</u>	<u>(1,409)</u>	<u>1,051</u>
Earnings/(loss) per ordinary share (sen)				
Basic	5.56	(0.11)	(1.31)	0.98
Diluted	-	-	-	-

The unaudited condensed Statements of Profit & Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2016

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

QUARTERLY REPORT

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Unaudited As At 30/09/2017 RM'000	Audited As At 31/12/2016 RM'000
ASSETS		
Non-current assets		
Plant and equipment	9,670	14,542
Investment in joint venture	17	21
Intangible assets	1,216	1,505
Deferred tax assets	3,902	3,902
	14,805	19,970
Current assets		
Inventories	20,319	14,407
Receivables	31,092	20,549
Cash and cash equivalents	25,799	43,903
	77,210	78,859
Total assets	92,015	98,829
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	107,243	107,243
Reserves	(40,548)	(39,139)
Shareholder's fund / Total equity	66,695	68,104
LIABILITIES		
Current liabilities		
Payables	19,893	18,774
Hire Purchase	4,154	6,072
Borrowings	-	1,900
	24,047	26,746
Non Current liabilities		
Hire Purchase	1,273	3,979
	1,273	3,979
Total liabilities	25,320	30,725
Total equity and liabilities	92,015	98,829

The unaudited condensed Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2016

THETA EDGE BERHAD (260002-W)
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QUARTERLY REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	<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>9 months ended 30 September 2016</u>				
At 1 January 2016 (audited)	107,241	1,897	(42,693)	66,445
Transfer to reserve for expired ESOS	-	(1,897)	1,897	-
Shares issued pursuant to exercise of warrants	2	-	-	2
Comprehensive profit for the financial period	-	-	1,051	1,051
	107,243	-	(39,745)	67,498
At 30 September 2016 (Unaudited)				
<u>9 months ended 30 September 2017</u>				
At 1 January 2017 (audited)	107,243	-	(39,139)	68,104
Comprehensive loss for the financial period	-	-	(1,409)	(1,409)
	107,243	-	(40,548)	66,695
At 30 September 2017 (Unaudited)				

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2016

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017**

	Unaudited 30/09/2017 RM'000	Audited 31/12/2016 RM'000
Cash flow from operating activities		
Net profit / (loss) before taxation	(1,383)	1,699
Adjustments for:		
Depreciation	6,068	7,686
Finance costs paid	528	1,530
Finance income received	(495)	(518)
Bad debts recovered	(677)	-
Allowance for doubtful debts	231	4,339
Amortisation of development cost	289	866
Plant and equipment written off	5	106
Writeback of provision for litigation	(2,595)	-
Provision for litigation	-	105
Share of losses of equity-accounted joint venture, net of tax	4	113
	1,975	15,926
Operating profit before working capital changes		
Movements in working capital		
Inventories	(5,912)	18,707
Receivables	(10,098)	9,714
Payables	3,714	(3,466)
Cash flow (used in) /from operations	(10,321)	40,881
Income tax paid	(26)	(171)
Income tax refunded	-	38
Finance costs paid	(528)	(1,530)
Finance income received	495	518
Net cash flow (used in) /from operating activities	(10,380)	39,736
Cash flow used in investing activities		
Purchase of plant and equipment	(1,201)	(10,040)
	(1,201)	(10,040)
Cash flow used in financing activities		
Proceeds from Share options exercised	-	2
Trust Receipts & revolving credit	(1,900)	(39,675)
Finance lease liabilities	(4,624)	2,490
Pledged deposits	(294)	1,564
	(6,818)	(35,619)
Net movement in cash and cash equivalents	(18,399)	(5,923)
Cash and cash equivalents at beginning of financial period	40,970	46,893
Cash and cash equivalents at end of financial period	22,571	40,970
Cash and cash equivalents consist of:		
Deposits, cash & bank balances	25,799	43,903
Less : Pledged deposits	(3,228)	(2,933)
Cash and cash equivalents	22,571	40,970

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2016

THETA EDGE BERHAD (260002-W)
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QUARTERLY REPORT

(A) Notes to the Condensed Consolidated Interim Financial Statements

A.1 Basis of preparation and significant accounting policies

This interim financial report 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 audited financial statements of the Group for the year ended 31 December 2016.

The accounting policies adopted in the preparation of the Condensed Consolidated Interim financial statements are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2016 except for the following:

Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2017:

- (i) Amendments to MFRS 107 Statement of Cash Flows - Disclosure Initiative
- (ii) Amendments to MFRS 112 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses
- (iii) Amendments to MFRS 12 Disclosure of Interests in Other Entities (Annual Improvements to MFRSs 2014 - 2016 Cycle)

The above pronouncements are either not relevant or do not have any material impact on the financial statements of the Group.

A.2 Report On The Financial Statements

The auditors' report on the financial statement for the financial year ended 31 December 2016 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 information

	Current Year to Date 30/9/2017			Preceding Year Corresponding Period 30/9/2016		
	Information Technology RM'000	Telco Services RM'000	Total RM'000	Information Technology RM'000	Telco Services RM'000	Total RM'000
Revenue	47,028	9,518	56,546	97,561	12,814	110,375
Gross profit / (loss)	14,740	(1,472)	13,268	25,499	(1,510)	23,989
Other operating income			3,462			12
Operating expenses			(11,483)			(11,675)
Profit from operations			5,247			12,326
Finance income			495			299
Depreciation			(6,068)			(5,439)
Allowances and non cash expenses			(525)			(4,733)
Finance cost			(528)			(1,294)
Share of losses of equity accounted joint venture			(4)			(108)
Profit / (loss) before taxation			(1,383)			1,051

Geographical reporting is not 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 2016.

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 30 September 2017.

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 mainly to trade customers decreased from RM8,315,692 to RM7,707,587 for the quarter.

A.13 Material Litigation

Infornential Sdn Bhd (“Plaintiff”) v. Theta Edge Berhad (“1st defendant” or “The Company”) & 4 others.

On 17 May 2012, a Writ of Summons and Statement of Claim was served on the Defendant and four (4) others by the Plaintiff 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 the Plaintiff to deprive the Plaintiff 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 5% 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

On the 27th of April 2015, the High Court Judge, had delivered her judgment in the aforementioned case as follows :-

- (i) Plaintiff's claim against 1st Defendant is allowed with interest running at 5% per annum from the date of judgment until full settlement;
- (ii) Plaintiff's claim against the 2nd, 3rd, 4th and 5th Defendants is dismissed;
- (iii) 1st Defendant to pay RM15,000.00 as cost to the Plaintiff.

The Company filed a Notice of Appeal against the said judgement on 6 May 2015 and the Record of Appeal was filed on 29 June 2015. The Plaintiff also filed an appeal on 25 May 2015

against the decision of the High Court Judge made on 27 April 2015 in dismissing its claim against the 2nd and the 5th Defendant.

The outcome of the decision of the Court of Appeal on 16 February 2017 are as follows:

- (i) Theta Edge Berhad vs Inforiential Sdn Bhd (Court of Appeal Civil Appeal No. W-02(NCVC)(W)-756-05/2015

The Learned Judges allowed the above Appeal, set aside the Judgement of the High Court dated 27.4.2015 and ordered costs of RM15,000.00 to be paid to the Company, subject to the payment of allocator fees and deposit to be refunded to the Company.

- (ii) Inforiential Sdn Bhd vs Nor Badli Munawir Alias Lafti (“1st Respondent”) & Anor (“2nd Respondent”) (Court of Appeal Civil Appeal No.W-02(NCVC)-094-06/2015

The Learned Judges dismissed the Appeal with costs of RM15,000.00 to the 1st Respondent and RM30,000.00 to the 2nd Respondent, subject to the payment of allocator fees and deposit to be refunded to the Appellant.

Following the Court of Appeal’s decision, a Notice of Motion was filed by Inforiential (Applicant) to the Federal Court on 14 March 2017 for the following orders:

- (1) The Applicant be given leave to appeal against the whole decision delivered by the Court of Appeal which allowed the Company’s appeal with costs of RM15,000.00;
- (2) The leave be granted on the following questions or issues, among others:
 - (i) Whether the corporate veil ought to be lifted, what is the current test to be applied?;
 - (ii) Is the Court of Appeal entitled to raise an issue where the party failed to raise the said issue in its pleadings, or as an issue to be tried or in its Memorandum of Appeal;
 - (iii) Whether a creditor of a company is “*a person who appears to the Court to be interested*” pursuant to Section 307 of the Companies Act 1965;
- (3) In the event the Applicant is given leave to appeal to the Federal Court, the Applicant is given leave to file and serve Notice of Appeal within 7 days from the date of this Order.

On 11 July 2017, the Federal Court unanimously decided that the said Notice of Motion be dismissed with costs of RM10,000.00.

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 is recurrent in nature and 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.

Related Parties	Transactions	Transactions for the year ended 30 September 2017 RM '000	Balance due from / (to) as at 30 September 2017 RM '000
Lembaga Tabung Haji	Sale of equipment & services	19,993	2,555
THP Bina Sdn Bhd	Sale of equipment & services	7,821	-
THP Development Consultancy Sdn Bhd	Services rendered	1,060	1,060
TH Global Services Sdn Bhd	Sale of equipment & services	1	1
THHE Fabricators Sdn Bhd	Sale of equipment & services	-	2,132
TH Heavy Engineering Berhad	Sale of equipment & services	62	4,700
TH Properties Sdn Bhd	Sale of equipment & services	379	-
TH Hotel & Residence Sdn Bhd	Sale of equipment & services Purchase of services	33	-
TH Agro Management Sdn Bhd	Services rendered	164	-

(B) Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad

B.1 Review of performance

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter 30/09/2017 RM'000	Preceding Year Corresponding Quarter 30/09/2016 RM'000		Current Year To date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000	
Revenue	22,058	30,434	-28%	56,546	110,375	-49%
Profit from Operations	8,219	2,364	> 100%	5,247	12,326	-57%
Profit / (loss) Before Finance cost and Tax	6,142	(45)	> 100%	(855)	2,345	> -100%
Profit/ (loss) Before Tax	5,981	(122)	> 100%	(1,383)	1,051	> -100%
Profit / (loss) After Tax	5,961	(122)	> 100%	(1,409)	1,051	> -100%
Profit/(loss) Attributable to Ordinary Equity Holders of the Parent	5,961	(122)	> 100%	(1,409)	1,051	> -100%

(a) Nine (9) months ended 30 September 2017

The Group reported a revenue of RM56.5 million for the nine (9) months ended 30 September 2017 as compared to the revenue in the previous financial year of RM110.4 million. The lower revenue in the current period of 49% was mainly due to the completion of material project milestones in the preceding year from the Jabatan Akauntan Negara project.

Correspondingly, the Group reported a loss before taxation of RM1.4 million against the profit before taxation of RM1.1 million from the preceding year.

Information technology

Information technology remains as the main revenue earner for the Group with over 80% revenue contribution. Revenue from this segment was lower at RM47.0 million for current year to date as compared to RM97.6 million in the preceding year. This was mainly due to the delivery of material project milestones from the project with Jabatan Akauntan Negara in the preceding year.

Telecommunication services

Revenue from the telecommunication services segment was lower at RM9.5 million for the current year to date as compared to RM12.8 million in the preceding year. This was mainly due to the completion of the Time 3 Extension USP project under the Malaysian Communications and Multimedia Commission (MCMC) in the preceding year.

The segment has a gross loss position due to insufficient revenues and volume to meet its operating costs.

(b) Quarter ended 30 September 2017

The Group reported a lower revenue of RM22.1 million as compared to RM30.4 million in the preceding year corresponding quarter. The higher profit before tax in the current quarter was due to the:

- (i) Variation order claim of RM6.6 million in relation to the project with the Ministry of Natural Resources and Environment of which most of the costs had been recognised in the previous financial years.
- (ii) Write back of the provision of litigation amounting to RM2.6 million pursuant to the dismissal of Inforntial Sdn Bhd's Notice of Motion by the Federal Court on 11 July 2017 as per Note A13 above.

B.2 Material changes in quarterly results

	Current Quarter 30/09/2017 RM '000	Immediate Preceding Quarter 30/06/2017 RM '000	Changes (%)
Revenue	22,058	22,789	-3%
Profit/(loss) from operations	8,219	204	>100%
Profit/ (loss) before Finance cost and Tax	6,142	(1, 722)	>100%
Profit / (loss) Before Tax	5,981	(1,892)	>100%
Profit / (loss) After Tax	5,961	(1,894)	>100%
Profit/(loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	5,961	(1,894)	>100%

The Group's revenue for the current quarter was lower at RM22.1 million as compared to that of RM22.8 million for the immediate preceding quarter. The Group reported a profit before taxation of RM6.0 million for the current period as compared to the loss before taxation of RM1.9 million in the immediate preceding quarter. The material changes in the current quarter was mainly due to the

variation order claim for the project with the Ministry of Natural Resources and Environment and the write back of the provision for litigation.

B.3 Prospects

Cautious spending by the public and private sector during the year became apparent in the second half of 2017 with new projects award being delayed or postponed further. The Group is striving to push its deliverables to meet the early cut off for delivery and budget period set by certain sector for this financial year.

The Group expects that it will be challenging to have similar results as per the previous financial year.

B.4 Statement of the Board of Directors' opinion on financial estimate, forecast, projection or profit guarantee

Not applicable as the Group did not previously announced, disclosed or published any financial estimate, forecast, projection or profit guarantee in a public document.

B.5 Profit / (loss) before Tax

The following amounts have been included in arriving at profit /(loss) before tax:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/09/2017 RM'000	Preceding Year Corresponding Quarter 30/09/2016 RM'000	Current Year To Date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000
Depreciation	2,019	2,363	6,068	5,439
Amortisation of development cost	-	216	289	650
Allowance for doubtful debts	231	-	231	3,900
Finance income	130	181	495	299
Finance cost	161	77	528	1,294

B.6 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/09/2017 RM'000	Preceding Year Corresponding Quarter 30/09/2016 RM'000	Current Year To Date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000
Current year income tax	20	-	26	-
Under / (over) provision for previous period	-	-	-	-
	20	-	26	-

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 23 November 2017 the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

B.10 Group borrowings

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

Current Quarter - 30/09/2017			
(Amount in RM'000)			
	Long term	Short term	Total Borrowing
Unsecured			
Hire Purchase	1,273	4,154	5,427
Total	1,273	4,154	5,427

Preceding Year Corresponding Quarter -30/09/16			
(Amount in RM'000)			
	Long term	Short term	Total Borrowing
Unsecured			
Hire Purchase	4,389	5,963	10,352
Total	4,389	5,963	10,352

The fixed rate of borrowings as at 30 September 2017 ranges between 2.50% to 3.60% (30 September 2016 : 2.50% to 3.60%)

All the borrowings are denominated in Ringgit Malaysia and are guaranteed by the Company.

B.11 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 23 November 2017, 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 A.13 to the Interim Financial Statements MFRS134, there were no changes in material litigations as at 23 November 2017, 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 Earnings /(loss) per share

The basic earnings/(loss) per share for the quarter and year to date ended 30 September 2017 are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/09/2017	Preceding Year Corresponding Quarter 30/09/2016	Current Year To Date 30/09/2017	Preceding Year Corresponding Period 30/09/2016
Net earnings/(loss) (RM'000)	5,961	(122)	(1,409)	1,051
No of ordinary shares in issue ('000)	107,243	107,243	107,243	107,243
Weighted average number of ordinary shares in issue ('000)	107,243	107,243	107,243	107,243
Basic EPS (sen)	5.56	(0.11)	(1.31)	0.98
Diluted EPS (sen)	N/A	N/A	N/A	N/A

Diluted EPS is not computed as there are no outstanding share options or instruments that will dilute the basic earnings per share.

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.

	30/09/2017 RM'000	31/12/2016 RM'000
Breakdown of accumulated losses of the Group		
- Realised	(65,994)	(59,097)
- Unrealised - Provision for litigation	-	(2,595)
- Unrealised - Deferred tax asset	3,902	3,902
Consolidation adjustments	21,544	18,651
Total Group Retained Losses	(40,548)	(39,139)

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 29 November 2017.