



thetaedge^(260002-W) BERHAD
A Member of the Tabung Haji Group 

ANNUAL REPORT 2014



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Twenty-Second (22nd) Annual General Meeting

Location

TH Hotel Kelana Jaya
Jalan SS6/1, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Time

Monday
June 15, 2015
at 10.00 a.m.

Corporate Information

BOARD OF DIRECTORS:

TAN SRI DATO' HASHIM BIN MEON

(Chairman, Non-Independent Non-Executive Director)

DATUK SERI PANGLIMA HJ.

ABDUL AZEEZ BIN ABDUL RAHIM

(Non-Independent Non-Executive Director)

DATO' SYED SALEH BIN SYED ABDUL RAHMAN

(Non-Independent Non-Executive Director)

ADI AZUAN BIN ABDUL GHANI

(Non-Independent Non-Executive Director)

MOHAMED RIDZA BIN MOHAMED ABDULLA

(Senior Independent Non-Executive Director)

ABDUL HALIM BIN JANTAN

(Independent Non-Executive Director)

DATUK NOR BADLI MUNAWIR

BIN MOHAMAD ALIAS LAFTI

(Independent Non-Executive Director)

DATO' RICHARD GEORGE AZLAN BIN ABAS

(Non-Independent Non-Executive Director)

A. SHUKOR BIN S. A. KARIM

(Group Managing Director & Chief Executive Officer)

AUDIT & RISK MANAGEMENT COMMITTEE

MOHAMED RIDZA BIN MOHAMED ABDULLA

(Chairman, Senior Independent Non-Executive Director)

DATUK NOR BADLI MUNAWIR

BIN MOHAMAD ALIAS LAFTI

(Independent Non-Executive Director)

ADI AZUAN BIN ABDUL GHANI

(Non-Independent Non-Executive Director)

NOMINATION COMMITTEE

MOHAMED RIDZA BIN MOHAMED ABDULLA

(Chairman, Senior Independent Non-Executive Director)

DATUK NOR BADLI MUNAWIR

BIN MOHAMAD ALIAS LAFTI

(Independent Non-Executive Director)

REMUNERATION COMMITTEE

ADI AZUAN BIN ABDUL GHANI

(Chairman, Non-Independent Non-Executive Director)

MOHAMED RIDZA BIN MOHAMED ABDULLA

(Senior Independent Non-Executive Director)

DATUK NOR BADLI MUNAWIR

BIN MOHAMAD ALIAS LAFTI

(Independent Non-Executive Director)

COMPANY SECRETARIES:

Cynthia Gloria Louis *(MAICSA 7008306)*

Chew Mei Ling *(MAICSA 7019175)*

Corporate Information *cont'd*

REGISTERED OFFICE

Bangunan C
Peremba Square
Saujana Resort
Section U2
40150 Shah Alam
Selangor Darul Ehsan
Tel : 603 7622 1188
Fax : 603 7666 6968

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 603 2264 3883
Fax : 603 2282 1886

AUDITORS

Wong Weng Foo & Co
[Chartered Accountants](#)
41, Damai Complex
Jalan Dato Haji Eusoff
50400 Kuala Lumpur
Tel : 603 4042 4280
Fax : 603 4041 3141

PRINCIPAL BANKERS

Amlslamic Bank Berhad

STOCK EXCHANGE LISTING

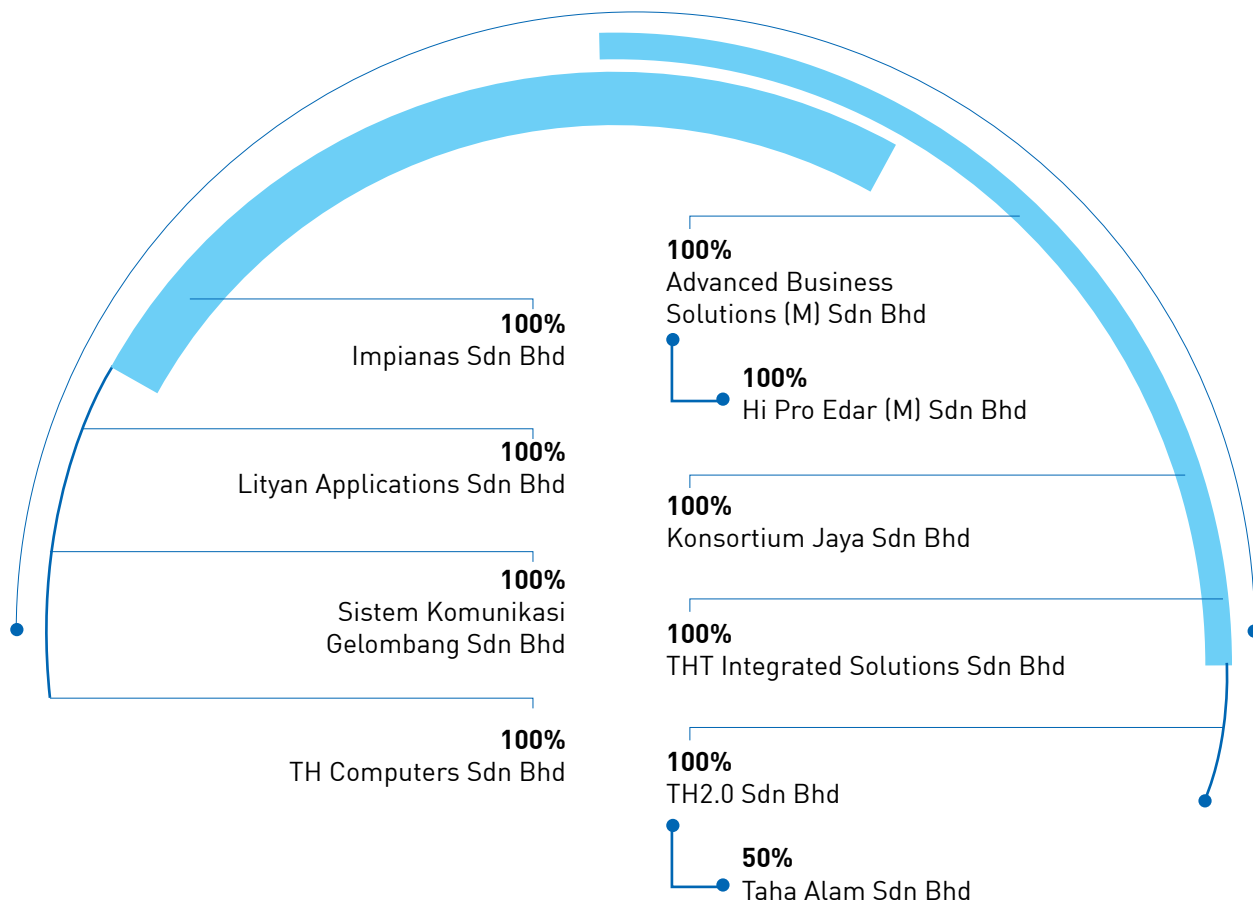
Main Market of Bursa Malaysia Securities Berhad
Stock Name : THETA
Stock Code : 9075
Stock Code : 9075WA

WEBSITE

www.theta-edge.com



Corporate Structure



Mission Statement

THETA EDGE

WILL BE A **SUSTAINABLE BUSINESS**

AND WILL BE **PROFITABLE** BY HAVING LOYAL
CUSTOMERS AND COMMUNITIES. WE WILL

DELIVER PRODUCTS AND SERVICES AND

CREATE **INTELLECTUAL PROPERTIES**

THAT ARE **RELEVANT**

TO ADDRESS THESE

CUSTOMERS AND

COMMUNITIES



Board of Directors

- 1 Abdul Halim
Bin Jantan
- 2 A. Shukor
Bin S. A. Karim
- 3 Dato' Richard George
Azlan Bin Abas
- 4 Tan Sri Dato' Hashim
Bin Meon
- 5 Adi Azuan
Bin Abdul Ghani





6 Datuk Seri Panglima Hj
Abdul Azeez Bin Abdul Rahim

7 Datuk Nor Badli Munawir
Bin Mohamad Alias Lafti

8 Dato' Syed Saleh
Bin Syed Abdul Rahman

9 Mohamed Ridza
Bin Mohamed Abdulla

Profile of the Board of Directors



**TAN SRI DATO'
HASHIM BIN MEON**
*Chairman, Non-Independent
Non-Executive Director*

Tan Sri Dato' Hashim Bin Meon, aged 68, a Malaysian, was appointed to the Board of Theta Edge Berhad as a Non-Independent Non-Executive Director on 1 July 2011 and re-designated as Chairman, Non-Independent Non-Executive Director on 1 April 2012. He graduated with a Master in Public Administration from University of Southern California and Bachelor of Arts (Hons) from University of Malaya.

He served the Malaysian Public Service for over 33 years since 1970 in several ministries and departments in various capacities. His last position was as Secretary General, Ministry of Defence, Malaysia prior to his retirement in September 2003. His wide range of experience includes Human Resources Management, ICT, Education and Training (including a stint as Senior Consul for Education at the Malaysian Consulate (Education) Sydney, Australia (1976-1980).

He also served as State Secretary, Selangor (1995-1999). In the field of training and ICT, he played significant role in several Government computerisation programmes. He was Head of Computer Training at the National Institute of Public Administration (INTAN - 1982-1984), Director ICT, MAMPU and Director ICT Unit, Prime Minister Office (1985-1990). He was also involved in major landmark of ICT developments including creation of MIMOS (Malaysian Institute of Microelectronics System), an R&D agency for ICT in Malaysia (1985) and was also founder member of MDeC (Multimedia Development Corporation - 1996-1999), a government agency created for the implementation of Multimedia Super Corridor (MSC) project initiated by Malaysian Government in 1995.

In the organisations that he headed, he was responsible and personally supervised the implementation of ICT initiatives such as introduction of video-conferencing facilities and extensive usage of email communication among members of the organisation at state level (Selangor) and Ministry of Defence.

Upon his retirement, he continued his service in the private sector as chairman/member of the board of several companies. He participates actively in a several voluntary and non-governmental organizations (NGO) related to leadership and strategy, mental health, human resource development and Islamic propagation and education.

He has been on the Board of Lembaga Tabung Haji (LTH) since January 2011. Currently he also serves on the Board of Universiti Pertahanan Nasional Malaysia since 2007.

He has no family relationship with any director and/or major shareholder of the Company and does not have any equity interest in the Company and its subsidiaries. He is a representative of LTH, the major shareholder of the Company. He has no conflict of interest other than disclosed under the Additional Compliance Information Disclosure (Recurrent Related Party Transactions) which appears in the Annual Report. He has never been convicted for any offence.

Profile of the Board of Directors cont'd

Datuk Seri Panglima Hj. Abdul Azeez Bin Abdul Rahim, aged 49, a Malaysian, was appointed to the Board of Theta Edge Berhad as an Independent Non-Executive Chairman on 5 April 2011. He has been re-designated to Independent Non-Executive Director on 1 April 2012 and to Non-Independent Non-Executive Director on 20 May 2014. He is a member of Parliament for Baling and also a member of UMNO Supreme Council since 2008, as well as the Chairman of Yayasan Pembangunan Rakyat Baling, Kedah.

He has vast experience in both business and corporate sectors, and serves as an Executive Chairman in several organization. Besides that, he is also an adviser to several public listed companies. He was the Executive Chairman of Sekreteriat Perunding Yayasan Pembangunan Ekonomi Islam Malaysia (YPEIM) from 2000-2008 and Director of GIATMARA Malaysia from 2008-2010.

He is the Chief Executive Officer of Azeera Management Consultants (M) Sdn. Bhd. since 2003 and Director in TH Real Estate since July 2012. He is actively involved in various charitable and community activities. In 2010, he formed Kelab Putera 1 Malaysia after the idea was accepted by YAB Prime Minister, Dato' Sri Mohd Najib Tun Abdul Razak. He has also been directly involved in a series of humanitarian aid to countries that have experienced natural disaster.

He has been on the Board of Lembaga Tabung Haji (LTH) since 2011 and was later appointed as LTH's Chairman on 1 July 2013.

He has no family relationship with any director and/or major shareholder of the Company and does not have any equity interest in the Company and its subsidiaries. He has never been convicted for any offence.



**DATUK SERI PANGLIMA
HJ. ABDUL AZEEZ BIN
ABDUL RAHIM**
*Non-Independent
Non-Executive Director*

Profile of the Board of Directors cont'd



**DATO' SYED SALEH
BIN SYED ABDUL RAHMAN**
*Non-Independent
Non-Executive Director*

Dato' Syed Saleh Bin Syed Abdul Rahman, aged 53, a Malaysian, was appointed to the Board of Theta Edge Berhad as a Non-Independent Non-Executive Director on 1 July 2011. He holds a BEng (Tech) in Civil Engineering and Master in Business Administration from the University of Wales, Cardiff, Wales, United Kingdom.

He has spent the last 25 years of his career actively involved in various fields such as Corporate Finance & Services, Fund Management, Business Development, Equity & Property Investments and Hajj Management.

Between 2004 to 2006, he was given the additional responsibility to spearhead one of Lembaga Tabung Haji's (LTH) subsidiaries, as the CEO of TH Travel & Services Sdn. Bhd. He was also a Board member representing LTH as one of the founding member in the Minority Shareholders Watchdog Group (2002-2004). Currently, he is the Senior General Manager of LTH.

He has no family relationship with any director and/or major shareholder of the Company and does not have any equity interest in the Company and its subsidiaries. He is a representative of LTH, the major shareholder of the Company. He has no conflict of interest other than disclosed under Additional Compliance Information Disclosure (Recurrent Related Party Transactions) which appears in the Annual Report. He has never been convicted for any offence.

Profile of the Board of Directors cont'd

Adi Azuan Bin Abdul Ghani, aged 45, a Malaysian, was appointed to the Board of Theta Edge Berhad as a Non-Independent Non-Executive Director on 26 February 2004. He graduated with UK BSc. (Honours) Accounting from Queen's University of Belfast, UK. He is now a Fellow Member of the Association of Chartered Certified Accountants, UK, ACCA (FCCA) and also a member of Malaysian Institute of Accountants (MIA).

He started his professional career in the auditing and accounting fields with PricewaterhouseCoopers, Kuala Lumpur in 1996 and was principally involved in the provision of audit and accounting services, mainly to banking and financial institutions before joining Lembaga Tabung Haji (LTH) as the Divisional Head of Group Accounts in July 2002.

Currently, he is the Chief Operating Officer of LTH. He represents LTH on the Board of Y.S.P. Southeast Asia Holding Berhad since 1 December 2004.

He is a representative of LTH, the major shareholder of the Company. He is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee, ESOS Committee as well as the Tender Committee.

He has no family relationship with any director and/or major shareholder of the Company and does not have any equity interest in the Company and its subsidiaries. He has no conflict of interest other than disclosed under the Additional Compliance Information Disclosure (Recurrent Related Party Transactions) which appears in the Annual Report. He has never been convicted for any offence.



ADI AZUAN BIN ABDUL GHANI
Non-Independent
Non-Executive Director

Profile of the Board of Directors cont'd



**MOHAMED RIDZA BIN
MOHAMED ABDULLA**
*Senior Independent
Non-Executive Director*

Mohamed Ridza Bin Mohamed Abdulla, aged 46, a Malaysian, was appointed to the Board of Theta Edge Berhad as an Independent Non-Executive Director on 7 November 2007 and was appointed as the Senior Independent Non-Executive Director on 20 May 2014. He holds a Bachelor of Law (First Class Honours) from the International Islamic University, Malaysia and was admitted as a member of the Institute of Chartered Secretaries and Administrators (London) (ICSA) in 1994. He is a Fellow Member of the Institute of Chartered Secretaries and Administrators (FCIS), a Fellow of the Malaysian Society of Adjudicators and an Associate Member of the Chartered Institute of Arbitrators (ACI Arb).

He began his career as an advocate and solicitor at the firm of Rashid & Lee in Malaysia. He later joined Arab Malaysian Corporation Berhad ("AMCB") as the group legal adviser. Being the group legal adviser, he was instrumental in setting up the legal department of the Amcorp Group of Companies. He left AMCB to become the General Legal Counsel of Technip Asia Pacific based in Kuala Lumpur and was previously attached at Technip headquarters in Paris, France. He is now the Managing Partner of Mohamed Ridza & Co. Prior to opening the firm, he was a partner and was head of his division at Zaid Ibrahim & Co.

He is the Chairman of the Audit and Risk Management Committee and Nomination Committee. He is a member of the Remuneration Committee, ESOS Committee as well as the Tender Committee.

He has no family relationship with any director and/or major shareholder of the Company and does not have any equity interest in the Company and its subsidiaries. He has no conflict of interest with the Company and has never been convicted for any offence.

Profile of the Board of Directors *cont'd*

Abdul Halim Bin Jantan, aged 58, a Malaysian, was appointed to the Board of Theta Edge Berhad as an Independent Non-Executive Director on 8 August 2014. With over 35 years of experience, he is well known as a wise mentor and a resourceful advisor in the insurance broking industry. He is currently the Chief Executive Officer of Sterling Insurance Brokers, an Insurance Broking and Consulting company which he started up in year 2000.

Prior to embarking his broking journey, he spent 14 years at American Malaysian Insurance Berhad (AMI), being his last position as the CEO of AMI. At AMI, he led the Underwriting and Claims Team responsible for the underwriting and claims administration for the construction and erection of the STAR and Putra Light Rail Transit Insurance Programme, led the growth of the company from a gross premium level of RM80 million to RM 150 million with consistent profitability over 6 years period, led the establishment of a subsidiary company, Asia Pacific Risk Management Centre (APRMC) and strategically established new divisions to create synergy and niche market.

At Sterling, he had developed and pioneered the insurances for power plant and large industrialized risks particularly in mega construction projects, including Malakoff Corporation Group, Sarawak Power Generation Sdn Bhd, Jimah Energy Ventures Sdn Bhd, C.T. Power Limited (Mauritius), Astronautic Technology Sdn Bhd, Indah Water Konsortium and Malaysian Resources Corporation Bhd.

Through the years, he has successfully established Sterling as the Premium Independent Power Plant (IPP) broker in the insurance and reinsurance market. He is expanding its portfolio into a more specialised industry i.e. Aviation, Marine Hull and Space.

In the field of training and ICT, he is the owner and director of Ultis Asia Sdn Bhd, an IT company that operates as an outsource provider offering to the market a comprehensive employee benefits solutions comprising from business consultancy to software application and IT Infrastructure. Ultis Asia is a collaboration with Scion Global Sdn Bhd, a subsidiary of Patimas Computer Berhad comprises of IT experts with wide and varied experience from multi-national insurance corporations as well as software Research & Development, bringing expertise in software application development and IT infrastructure.

It introduces a sophisticated & comprehensive integrated business solution for insuring group employee benefits that would allow Underwriters, Corporations and SMEs to effectively and efficiently improve their overall processes.

After years of focusing on the growth of his business, he is giving back to the industry and community. He is a member of many non-profit organizations such as Persatuan Insurans Am Malaysia Management Committee Member, MII Professional Development Committee and MITBA Talent Committee where he is the Chairperson. Furthermore, he is a casual panel speaker at Industry seminars and conferences as well as an occasional guest lecturer at local universities.

He has no family relationship with any director and/or major shareholder of the Company and does not have any equity interest in the Company and its subsidiaries. He has never been convicted for any offence.



**ABDUL HALIM
BIN JANTAN**
*Independent
Non-Executive Director*

Profile of the Board of Directors *cont'd*



**DATUK NOR BADLI MUNAWIR
BIN MOHAMAD ALIAS LAFTI**
*Independent
Non-Executive Director*

Datuk Nor Badli Munawir Bin Mohamad Alias Lafti, aged 48, a Malaysian, was appointed as the Group Managing Director and Chief Executive Officer of Theta Edge Berhad on 24 October 2007 and re-designated to Non-Independent Non-Executive Director on 7 June 2010. On 28 June 2012, he has been further re-designated as Independent Non-Executive Director.

He is a member of Audit and Risk Management Committee, Nomination Committee, Remuneration Committee as well as Tender Committee. He holds a Bachelor of Science (B.sc.) Accountancy (Cum Laude) degree from Case Western Reserve University, Cleveland, Ohio, USA and a Master in Business Administration (MBA) degree from the Arkansas State University, Arkansas, USA.

He is currently the Managing Director and Chief Executive Officer of TH Heavy Engineering Berhad, an associate company of Lembaga Tabung Haji that is engaged in the business fabrication of offshore oil & gas related structures for various upstream oil and gas companies.

Previously, he held directorships in several private companies which he co-founded, involved in various activities ranging from the supply of specialised production, process and safety equipment; HSE consultancy and marine logistics which currently service both the upstream and downstream sectors of the oil and gas industry in Malaysia. Presently, he is the President of Malaysian Offshore Contractors Association (MOCA), a position he has held since April 2012. He was also previously the Chief Financial Officer of FPSO Ventures Sdn. Bhd. a joint venture and subsidiary company of MISC Berhad, the blue-chip energy shipping company's offshore business arm. He was a pioneer member of the management team until September 2006.

He served in the financial services industry for over 10 years where he accumulated significant merchant banking and financial advisory experiences. He was with Arab-Malaysian Merchant Bank Berhad ("AMMB") Corporate Finance Division from 1992 to 1999. Prior to AMMB, he started as an Associate Consultant with Arthur Andersen & Co, a leading International public Accounting and Management Consultancy firm. He rose to the rank of Senior Consultant before joining AMMB in 1992.

He has no family relationship with any director and/or major shareholder of the Company and does not have any equity interest in the Company and its subsidiaries. He has no conflict of interest with the Company and has never been convicted for any offence.

Profile of the Board of Directors cont'd

Dato' Richard George Azlan Bin Abas, aged 51, a Malaysian, was appointed as Group Managing Director and Chief Executive Officer of Theta Edge Berhad on 15 June 2010 and re-designated to Executive Director on 1 April 2012 and to Non-Independent Non-Executive Director on 20 May 2014. He holds a Bachelor of Commerce from the University of Western Australia. He is a Fellow of the Institute of Chartered Accountants in Australia and a Chartered Accountant of the Malaysian Institute of Accountants.

He articulated with Arthur Andersen from 1984 to 1989 and served the Arab-Malaysian Group from 1990 to 1996. He was the Group Chief Executive Officer of YPJ (Johor Education Foundation) Holdings Sdn Bhd from 1997 to 2002. He is presently Managing Partner of Abas & Co. Chartered Accountants.

He has no family relationship with any director and/or major shareholder of the Company. Details of his shareholdings held in the Company are disclosed on pages 132 to 140 of the Annual Report. He has no conflict of interest with the Company and has never been convicted for any offence.



**DATO' RICHARD GEORGE
AZLAN BIN ABAS**
*Non-Independent
Non-Executive Director*

Profile of the Board of Directors *cont'd*



A. SHUKOR BIN S.A. KARIM
*Group Managing Director
 & Chief Executive Officer*

A. Shukor Bin S.A. Karim, aged 58, a Malaysian, was appointed to the Board of Theta Edge Berhad as an Independent Non-Executive Director on 15 June 2010 and re-designated to Executive Director on 1 April 2012. On 1 December 2012, he has been re-designated as the Group Managing Director and Chief Executive Officer. He graduated with a BSc. (Honours) in Computation from the University of Manchester, Institute of Science and Technology, UK.

He began his career with the Government of Malaysia, Statistics Department in 1979. He later join Sapura Group in 1982 where he was one of the founding members of Sapura Information Technology (IT) and developed Sapura's IT business to be one of Malaysia's biggest IT company with more than 1,000 employees in ASEAN and revenues exceeding RM600 million per annum in the late nineties with more than 20 subsidiaries involved in various aspects of the IT industry, from sales and distribution, systems integration to software development and IT education.

He was involved in many high profiles IT projects in Malaysia and abroad. Amongst others, he was the Managing Director of STH Consortium which implemented the Total Airport Management System in KLIA. He was also involved in the Design and Implementation of the Cable plant for KLCC and in E-Government projects for the implementation of Generic Office Environment for the Government of Malaysia.

He was also an Executive Director in Telecom Smart School Sdn Bhd, which implemented the Smart School Project for the Ministry of Education in Malaysia. He was directly involved in the setting up of the Asia Pacific Institute of Information Technology (APIT) which is today one of Malaysia's biggest IT education institute. He also was deeply involved in the development of the IT Industry in Malaysia and served as Chairman of Persatuan Industri Komputer Dan Multimedia, Malaysia (PIKOM) from 1993 to 1995. He also served as Director in the Multimedia Development Corporation (now MDec) for 2 years in the mid 1990.

Currently, he sits on the Board of Green Packet Berhad ("Green Packet") as an Independent Non-Executive Director since 21 May 2008. He was the Chairman of Packet One Networks (Malaysia) Sdn Bhd, a wholly owned subsidiary of Green Packet from 2011 to 2014.

He has no family relationship with any director and/or major shareholder of the Company and does not have any equity interest in the Company and its subsidiaries. He has no conflict of interest with the Company and has never been convicted for any offence.

The background of the image is a dark, deep blue gradient. It is filled with numerous bright, white and light blue light rays that originate from the top left and fan out towards the right. These rays are composed of many fine, parallel lines. Interspersed among the rays are many small, out-of-focus circular light spots, creating a bokeh effect. The overall impression is one of dynamic energy and light. The text "CREATING VALUES" is centered in the lower half of the image, written in a white, serif, all-caps font with a thin black outline.

“CREATING VALUES”

Chairman's Statement



**Dear Valued
Shareholders and Stakeholders,**

*On behalf of the Board of Directors,
I am pleased to present our
2014 Annual Report.*

PERFORMANCE

The Group's revenue increased marginally from RM94.9 million previously to RM98.3 million in the current financial year. The lower operating loss of about 10% from RM3.2 million previously to RM2.9 million in the current financial year was mainly due to the above improvement in revenue and higher overall average gross profit from 6.5% to 8.2%. The higher average gross profit was mainly due to higher composition of revenues from services works. Correspondingly, the Group reported a lower loss for the financial year of RM7.1 million compared to RM8.0 million previously.

Chairman's Statement *cont'd*

INDUSTRY PROSPECTS

According to PIKOM, ICT spending in Malaysia is expected to cross the RM70 billion mark. 2015 will expect to 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.

The local ICT industry is expected to transform with the game-changing trends such as cloud, social media and big data, challenging businesses to be more agile and dynamic in the areas of mobility, security and analytics.

However, the Group expects 2015 to remain a 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.

GROUP STRATEGIES

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

OUTLOOK

The Group started the year with good footing with an order book on hand of approximately RM190 million. With the right focus of efforts on niche and strategic areas, the Group expects to build up this order book to ensure year on year growth towards improved financial results.

CORPORATE DEVELOPMENT

The financial year also saw the appointment of En Abdul Halim Bin Jantan to the Board. The addition of Encik Abdul Halim will further strengthen the Board with diverse mix of skills and experience to steer the Group into meeting its corporate objectives.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank our shareholders, Regulatory Authorities, customers, business partners and associates, bankers and financial institutions and especially to all of our employees for their unwavering support given to the Group thus far. I would also like to express my appreciation to my fellow members of the Board for their invaluable guidance, efforts and support.

Sustainability Report

The Group recognises the need to place firm commitment towards corporate social responsibility (“CSR”) and sustainable development activities. This stems from the fundamental principles of good corporate governance and striking a realistic balance between corporate pursuits and social obligations.

Highlights of CSR initiatives carried out by the Group during the financial year are as follows :-

Employees and Workplace

The Group recognises that the success and growth of the Group over the years were contributed by skilled and talented workforce. Therefore, continued motivation and development of the workplace is crucial in maintaining and retaining the various skills, capabilities and expertise from the employees to meet the needs of the businesses.

The Group continues to provide training avenues, certifications and education/learning opportunities in order to optimise and/or to enhance the employees’ knowledge and skills at all levels of employment.

The Group is also committed in providing a safe and healthy workplace environment in line with the Occupational Safety and Health Act (OSHA) guidelines.

Community

Community development and awareness are recognised as one of the important corporate activities to be undertaken with various communities.

During the year, the Group has given Hari Raya contribution to 500 recipients registered under the Department of Social Welfare. The Group has also invited Rumah Pengasih Warga Prihatin that accommodates orphans/ underprivileged for Hari Raya Open House with cash contribution given to the children as well as the orphan’s home. The Group has also provided assistance to the flood victims in East Coast with contributions of portable gas stoves, food supplies and other essentials. A cash collection and essential items donation drive was also organised to raise donations and contributions from the employees which was then donated to the affected flood victims.

The Group had also organised Health Programs, a joint collaborative efforts with seven (7) well established health related companies and organisations. The activities amongst others included basic health screenings, specific body checks and tests, health and dietary consultancy. The programs was organised to raise the awareness on the importance of health to the employees as well as the working community surrounding Peremba Square.

Environment

Recognising the need to contribute in preserving the environment, the Group is committed in improving the environmental needs awareness amongst the employees. This will include awareness towards environmental preservation in all areas of operations by conserving energy and resources, reduce wastages, promote recycling and the effectiveness on using the natural resources.

Market Place

The Group recognises the importance of building and maintaining the sustainable relationships with the stakeholders. These include customers, employees, regulators and business partners. The Group is committed to adopt the highest standard of corporate governance throughout the organization as a fundamental part of discharging its responsibilities to protect and enhance stakeholders’ value and to ensure that the best practices are adopted and implemented wherever possible.

Sustainability Report *cont'd*

Hari Raya Bersama Rumah Pengasih Warga Prihatin



Theta's Hari Raya Open House



Theta's Health Program



Fire Fighting Demonstration



Fire Drill Exercise



Statement on Corporate Governance

The Board of Directors (“the Board”) of Theta Edge Berhad (“Company”) is committed to a corporate culture that is based on the principles and best practices of corporate governance and is practised by the Company and its subsidiaries (“the Group”).

The Group will continue to endeavour to comply with all the key Principles and Best Practices of the Malaysian Code on Corporate Governance 2012 (“the Code”) in its effort to observe high standards of transparency, accountability and integrity. The Group believes that good corporate governance will help to realize long term shareholders value, whilst taking into account the interest of other stakeholders.

The following paragraphs describe how the Group has applied the Principles and Best Practices of the Code.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

A) Roles and Responsibilities of the Board and Management

The Company is led and managed by an experienced Board comprising members with a wide range of experience in relevant fields such as management, information technology, telecommunication, finance and law. The Directors bring a broad range of skills, experiences and knowledge required to successfully direct and supervise the Group’s business activities. A brief profile of each Director is presented from page 8 to page 16 of the Annual Report.

The Board has the overall responsibility for corporate governance, strategic and corporate plan, overseeing the investments and operations, material acquisition and disposal of securities/ assets/ businesses, identifying and managing principal risks, succession planning for senior management, developing and implementing shareholders’ communication policy and internal control systems and management information systems, financial related and legal matters.

The matters above are specifically reserved for the Board’s decision to ensure the direction and control of the Group is firmly in the Board’s hand.

The Board delegates the responsibility of implementing the Group’s strategies, business plans, policies and decisions to the Management which is led by the Group Managing Director and Chief Executive Officer.

Board Charter

The Company has in place a Board Charter that sets out, among others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, as well as the relationship between the Board with its management and shareholders. More information on the Board Charter can be found on the Company’s website at www.theta-edge.com.

Statement on Corporate Governance *cont'd*

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES *cont'd*

A) Roles and Responsibilities of the Board and Management *cont'd*

Code of Ethics

The Directors observe the Company Directors' Code of Ethics established by the Companies Commission of Malaysia ("CCM") which can be viewed from CCM's website at www.ssm.com.my.

Whistle Blowing Policy

The Company has yet to put in place a Whistle Blowing Policy.

Sustainability Policy

The Group is committed to operate in a sustainable manner and seek to contribute positively to the well-being of its stakeholders. Details of the Group's key corporate responsibility activities in 2014 can be found in the Sustainability Report on pages 20 to 21 of this Annual Report.

Access to Information and Advice

Prior to Board meetings, an agenda together with the relevant documents and information are distributed to all Directors. The Senior Management and/or other relevant Board members will provide comprehensive explanation of pertinent issues and recommendations. The issues would then be deliberated and discussed thoroughly by the Board prior to decision-making.

Apart from the above, the Board members are supplied with information and reports on financial, operational, corporate regulatory, business development and audit matters by way of board reports or upon specific request to enable them to discharge their duties and responsibilities. All Directors are notified of the corporate announcements released to Bursa Malaysia Securities Berhad ("BMSB") and any amendment to BMSB's Main Market Listing Requirements ("Listing Requirements"). All Directors have access to the management and auditors for independent view and advice.

In furtherance of their duties, the Directors may seek independent professional advice if necessary, at the expense of the Company.

Statement on Corporate Governance *cont'd*

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES *cont'd*

A) Roles and Responsibilities of the Board and Management *cont'd*

Company Secretary

The Company has appointed qualified named secretaries for the Group who possess the requisite qualification and they play a supportive role by ensuring adherence to the Company's constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time.

2. STRENGTHEN THE COMPOSITION OF THE BOARD

Board Composition and Balance

The Board consists of nine (9) members comprising the Chairman, who is a Non-Independent Non-Executive Director, three (3) Independent Non-Executive Directors, four (4) Non-Independent Non-Executive Directors and one (1) Executive Director.

Recommendation 3.5 of the Code states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. Although Theta does not have a majority of Independent Directors on its Board, the Board believes that the current composition is appropriate given the collective skills and experience of the Directors and Theta Group's current size and nature of Theta's business. Further, the Board is of the view that with the current Board size, there is no disproportionate imbalance of power and authority on the Board between the Non-Independent and Independent Directors. The Board will continue to monitor and review the Board size and composition as may be needed.

It is a mandatory practice to have the Directors concerned to declare their interests and abstain from the decision making process when a potential conflict of interest arises.

The roles of the Chairman of the Board and the Group Managing Director and Chief Executive Officer are segregated. The Chairman is primarily responsible for the proper conduct and working of the Board whilst the Managing Director and Chief Executive Officer is responsible for the day-to-day running of the business and implementation of Board's policies and decisions.

Statement on Corporate Governance *cont'd*

2. STRENGTHEN THE COMPOSITION OF THE BOARD *cont'd*

Board Composition and Balance *cont'd*

The Non-Executive Directors of the Company are independent of management and free from any business relationship which could materially interfere with the exercise of their judgment. They, particularly the Independent Non-Executive Directors, are actively involved in various Board Committees. They provide guidance, unbiased, fully balanced and independent and objective views, advice and judgment to various areas such as performance monitoring, enhancement of corporate governance and controls so as to safeguard the interest of shareholders and stakeholders and to ensure that the highest standards of conduct and integrity are maintained by the Group.

Board Committees

The Board delegated certain responsibilities to the Board Committees i.e. Audit and Risk Management Committee, Nomination Committee, Remuneration Committee and Tender Committee who operate within the approved terms of reference. The Board Committees discuss the subject matter, put forward recommendations and report to the Board for a final decision.

(a) Audit and Risk Management Committee (“ARMC”)

The primary objective of the ARMC is to assist the Board in fulfilling its responsibility relating to accounting, risk management and reporting practices of the Group. The ARMC is accorded all resources required to perform its duties, have full and unrestricted access to any information pertaining to the Group, have direct communication channels with the external and internal Auditors and is entitled to obtain any external legal or other independent professional advice as necessary. The composition of the ARMC is as follows:-

Mohamed Ridza bin Mohamed Abdulla *(Chairman)*
(Senior Independent Non-Executive Director)

Datuk Nor Badli Munawir bin Mohamad Alias Lafti *(Member)*
(Independent Non-Executive Director)

Adi Azuan bin Abdul Ghani *(Member)*
(Non-Independent Non-Executive Director)

Statement on Corporate Governance *cont'd*

2. STRENGTHEN THE COMPOSITION OF THE BOARD *cont'd*

Board Committees *cont'd*

(b) Nomination Committee

A Nomination Committee has been established by the Board and has no executive powers. The Nomination Committee comprises of exclusively Non-Executive Directors, all of whom are Independent, and is responsible for recommending appointments to the Board, Board Committees and personnel designated "Chief" and above and other strategic positions such as internal auditor, legal officer and risk officer after considering the nomination from the Chief Executive Officer, Directors and shareholders. The decision on appointment rests on the Board as a whole after considering the recommendation by the Nomination Committee.

The appointment of a committee member automatically terminates when the member ceases to be a Director. The composition of the Nomination Committee is as follows:-

Mohamed Ridza bin Mohamed Abdulla (*Chairman*)
(*Senior Independent Non-Executive Director*)

Datuk Nor Badli Munawir bin Mohamad Alias Lafti (*Member*)
(*Independent Non-Executive Director*)

The Board through the Nomination Committee shall periodically review its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board. The Nomination Committee meetings shall be convened at least once a year and they may invite other Board members, officers of the Company, employees and any other external parties to attend meetings or part thereof as and when necessary. Through its Chairman, the Nomination Committee reports to the Board on matters discussed at the next Board of Directors' Meeting after each meeting. The Company Secretary is the Secretary to the Nomination Committee.

Statement on Corporate Governance *cont'd*

2. STRENGTHEN THE COMPOSITION OF THE BOARD *cont'd*

Board Committees *cont'd*

(b) Nomination Committee *cont'd*

The nomination and election process of Board Members are as follows:-

Appointment of New Directors

The Board does not set specific criteria for the assessment and selection of candidate for appointment as director. Consideration would be taken on the need to meet the regulatory requirement such as the Companies Act, 1965 and the Listing Requirements, the experience, integrity, wisdom, independence of the candidate, ability to make analytical inquires, ability to work as a team to support the Board, possession of the required skill, qualification and expertise that would add value to the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

The Nomination Committee is responsible to recommend candidate to the Board to fill vacancy arising from resignation, retirement or other reasons or if there is a need to appoint additional director with the required skill or profession to the Board in order to close the competency gap in the Board identified by the Nomination Committee. The potential candidate may be proposed by existing director, senior management, shareholders or third party referrals.

Upon receipt of the proposal, the Nomination Committee is responsible to conduct an assessment and evaluation on the proposed candidate.

The assessment/evaluation process may include among others, a review of the candidate's resume, curriculum vitae and qualification. The Nomination Committee would also assess the candidate's integrity, wisdom, independence, ability to make independent and analytical inquiries, ability to work as a team to support the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

Upon completion of the assessment and evaluation of the proposed candidate, the Nomination Committee would make its recommendation to the Board. Based on the recommendation of the Nomination Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

Statement on Corporate Governance cont'd

2. STRENGTHEN THE COMPOSITION OF THE BOARD cont'd

Board Committees cont'd

(b) Nomination Committee cont'd

Annual Assessment of Existing Directors

The director who is subject to re-election and/or re-appointment at the next Annual General Meeting shall be assessed by the Nomination Committee before recommendation is made to the Board and shareholders for the re-election and/or re-appointment.

Terms of Reference

1. To identify and recommend appointments as directors to the Board, Board Committees and personnel designated “Chief” and above and other strategic positions such as the heads of department for internal audit, legal and risk.
2. To assess and recommend the re-election/re-appointment of directors upon the expiry of their terms of appointment.
3. To undertake periodic performance reviews of the Board, Board Committees as well as key senior officers.
4. To consider the balance of the Board and Board Committees membership and determine the core competencies and skills required of the Board in order to discharge its duties effectively.
5. To evaluate the effectiveness of the Board and Board Committees and the contributions of each of the Directors and Board Committees members.

During the financial year under review, the Nomination Committee has carried out an assessment of the Directors, reviewed the retirement of directors by rotation eligible for re-election at the forthcoming Annual General Meeting and reviewed the independence of the Independent Directors to ensure that the Board would be able to discharge its duties and responsibilities effectively.

Statement on Corporate Governance *cont'd*

2. STRENGTHEN THE COMPOSITION OF THE BOARD *cont'd*

Board Committees *cont'd*

(b) Nomination Committee *cont'd*

Re-election of Directors

In accordance with the provisions of the Articles of Association of the Company, at least one-third (1/3) of the Directors for the time being or if their number is not three (3) or multiples of three (3), then the number nearest to one-third (1/3) shall retire from office and shall be eligible for re-election at each Annual General Meeting ("AGM"). Consequently, each Director shall retire from office at least once in every three years but shall be eligible for re-election. Directors who are appointed to the Board during the year shall retire and seek re-election at the next AGM to be held following their appointments.

Directors over the age of seventy years are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act, 1965.

(c) Remuneration Committee

The Remuneration Committee is appointed by the Board and has no executive powers. The appointment of a committee member automatically terminates when the member ceases to be a Director. The composition of the Remuneration Committee is as follows:-

Adi Azuan bin Abdul Ghani (*Chairman*)
(*Non-Independent Non-Executive Director*)

Mohamed Ridza bin Mohamed Abdulla (*Member*)
(*Senior Independent Non-Executive Director*)

Datuk Nor Badli Munawir bin Mohamad Alias Lafti (*Member*)
(*Independent Non-Executive Director*)

Statement on Corporate Governance *cont'd*

2. STRENGTHEN THE COMPOSITION OF THE BOARD *cont'd*

Board Committees *cont'd*

(c) Remuneration Committee *cont'd*

The Remuneration Committee comprising of three (3) Non-Executive Directors, majority of whom are Independent, has the primary responsibility to provide assistance to the Board in determining, reviewing and developing a remuneration policy and reward system for the Board, personnel designated “Chief” and above and other strategic position such as internal auditor, legal officer and risk officer. The remuneration package links rewards to corporate and individual performance. A remuneration policy is presently in place to ensure the levels of remuneration are sufficiently attractive to retain Directors and Key Senior Management.

The Remuneration Committee shall meet at least once a year and may invite other Board members, officers of the Company, employees and any other external parties to attend meetings or part thereof as and when necessary. The Remuneration Committee through its Chairman shall report to the Board at the next Board of Directors’ Meeting after each meeting. The Company Secretary is the Secretary to the Remuneration Committee.

Terms of Reference

1. To review and recommend to the Board the remuneration package for Executive and Non-Executive Directors and assists the Board in ensuring that the remuneration of the Executive and Non-Executive Directors commensurate with the responsibilities and duties undertaken by the Board members.
2. To review and recommend to the Board the increment for the Group’s employees and the salary increment/adjustment of the internal auditor, legal officer, risk officer and key senior employees designated “Chief” and above.
3. The Board as a whole determines the remuneration of each Director. Directors do not participate in decision regarding their own remuneration package.

Gender, Ethnicity and Age Group Diversity Policy

The Company does not have a policy on gender, ethnicity and age group for candidates to be appointed on the Board. The Group does not practice any form of gender, ethnicity and age group for all directors and the selection criteria for appointment will be based on skills, experience and knowledge as the Group provides equal opportunity to candidates based on merit.

Statement on Corporate Governance *cont'd*

2. STRENGTHEN THE COMPOSITION OF THE BOARD *cont'd*

DIRECTORS' REMUNERATION

The objectives of the Company's remuneration policy on Directors' remuneration is to attract, retain and motivate the Directors of the highest quality and to recognize and reward the high performing Directors for achieving the Company's business and corporate goals.

The Remuneration Committee shall ensure that the levels of remuneration are sufficient to attract and retain Directors of the quality required to manage the business of the Group. The Remuneration Committee is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the executive directors. In the case of non-executive directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the non-executive directors concerned.

Details of Directors' remuneration for the financial year ended 31 December 2014 are set out as below:-

	Fees (RM)	Salary & Bonus (RM)	Benefit-in kind (RM)	Other Emoluments (RM)	Total (RM)
Executive Directors	-	558,000	-	100,500	658,500
Non-Executive Directors	185,479	-	-	315,000	500,479

The number of Directors whose total remuneration falls within the following bands for the financial year ended 31 December 2014 is as follows:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM50,000 and below	-	4
RM50,001 to RM100,000	-	2
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	-	1
RM650,001 to RM700,000	1	-

Statement on Corporate Governance cont'd

3. REINFORCE INDEPENDENCE

The Board consists of nine (9) members comprising the Chairman, who is a Non-Independent Non-Executive Director, three (3) Independent Non-Executive Directors, four (4) Non-Independent Non-Executive Directors and one (1) Executive Director.

The Board has complied with Paragraph 15.02 of the Listing Requirements which requires at least two directors or one-third of the Board, (whichever is the higher) to be Independent Directors. The presence of Independent Directors provides objectivity and independent judgment to decision making.

Recommendation 3.2 and 3.3 of the Code states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the 9 years tenure, the Independent Director may continue to serve on the Board subject to re-designation as Non-Independent Director. In exceptional circumstances, the shareholders may decide that an Independent Director can remain beyond the cumulative term of nine (9) years, subject to the Nomination Committee's assessment, Board's recommendation as well as strong justification to be provided to the shareholders at a general meeting. The Board composition was reviewed in line with the aforesaid recommendation and it was noted that none of its Independent Directors has reached the nine (9) years cumulative term in the Company.

Assessment on Independence of Directors

Criteria have been set to assess the independence of candidate for directors and existing directors based on the guidelines set out in the Listing Requirements.

On an annual basis, the Directors are required to confirm their independence by completing the independence checklist.

During the financial year, the Nomination Committee carried out an assessment of the Directors and recommended the re-election of directors at the 22nd Annual General Meeting to the Board.

Statement on Corporate Governance *cont'd*

4. FOSTER COMMITMENT

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company during the financial year ended 31 December 2014. In compliance with the Listing Requirements, all the Directors do not hold directorships more than that prescribed under the Listing Requirements. There were six (6) Board of Directors' Meetings held during the financial year ended 31 December 2014 and the details of the attendance of the Directors' Meetings are as follows:-

Directors	Number of Board Meetings	
	Attended	Held
Tan Sri Dato' Hashim bin Meon	6	6
Datuk Seri Panglima Hj Abdul Azeez bin Abdul Rahim	3	6
Dato' Syed Saleh bin Syed Abdul Rahman	4	6
Adi Azuan bin Abdul Ghani	5	6
Mohamed Ridza bin Mohamed Abdulla	6	6
Datuk Nor Badli Munawir bin Mohamad Alias Lafti	6	6
Dato' Richard George Azlan bin Abas	6	6
A. Shukor bin S.A. Karim	6	6
Abdul Halim bin Jantan (appointed on 08.08.2014)	3	3

Directors' Training

All the Directors of the Company have attended the Mandatory Accreditation Programme. Directors are encouraged to attend relevant seminars and conferences to enhance their skills and knowledge and to keep abreast with the latest developments on laws and regulations.

Statement on Corporate Governance *cont'd*

Directors' Training *cont'd*

For the year under review, the training programmes and seminars attended by the Directors are as follows:

- 1) 2014 MASB Roundtable on Financial Reporting
- 2) ACI Breakfast Roundtable with KPMG
- 3) Advocacy Session on Corporate Disclosure for Directors of Listed Issuers
- 4) Audit Committee Conference
- 5) Breakfast Talk with Bob Vanourek – Triple Crown Leadership “Building Excellent, Ethical and Enduring Organisations”
- 6) Digital Malaysia Internet of Things Conference
- 7) Echelon 2014 Malaysia Satellite Conference
- 8) Echelon Singapore : The Pulse of Asia's Innovation Conference
- 9) Financial Institutions Directors Educational Programme – FIDE (Module A & B)
- 10) Focus Group Discussion in Preparation for Dialogue with The Governor
- 11) GST Expo & Conference 2014
- 12) GST Outreach & Training Seminar
- 13) GST Series for ICT Sector
- 14) High Impact Governance Seminar on Corporate Compliance: Focusing on Directors' Duties, Liabilities and Expectations
- 15) Innovating Malaysia Conference 2014: Return on Innovation
- 16) Intensive Seminar on Islamic Sciences
- 17) Luncheon Talk Melestarikan SPRM Bersama TH oleh Ketua Pesuruhjaya SPRM
- 18) Managing Large & Specialized Risks
- 19) Master Class with Harvard's Professor Linda A Hill
- 20) Putrajaya Premier Lecture Series: Past Achievements & Present Challenges in The Muslim World
- 21) Regional Expert Meeting on Effectiveness of Risk Insurance for Disaster Risk Reduction and Climate Change Adaptation
- 22) Risk Awareness Session
- 23) Risk Management & Internal Control Workshop by Bursa
- 24) Social Media: The Emergence of The New Liability Networks
- 25) Sweating The Right Stuff - Risk for Profitable Growth
- 26) Syariah Training Master Class
- 27) TH Director's Seminar
- 28) The Global Islamic Finance Forum

Statement on Corporate Governance *cont'd*

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

The Directors are responsible to present a true and fair assessment of the Group's position and prospects in the annual reports and quarterly reports. The quarterly financial results were reviewed by the ARMC and approved by the Board of Directors prior to submission to BMSB.

The Directors' Responsibility Statement for the preparation of financial statements is set out on page 50 of the Annual Report.

Relationship with Auditors

The Company's independent external auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of the financial statements.

The Board has established a formal and transparent arrangement for maintaining appropriate relationships with the external auditors in seeking professional advice and ensuring the compliance with the relevant regulations and applicable approved accounting standards in Malaysia. The external auditors attend ARMC meetings when necessary and have direct access to the ARMC and internal auditors for independent discussion.

Directors' Responsibility Statement for the Annual Audited Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 as to give a true and fair view of the state of affairs and the results and cash flows of the Company and the Group for the financial year.

In preparing the financial statements of the Group for the year ended 31 December 2014, the Directors have adopted appropriate accounting policies and applied them consistently, made prudent and reasonable judgments and estimates and ensured the applicable accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been followed. The financial statements have been prepared on a going concern basis.

The Directors acknowledge and are responsible for ensuring that proper accounting records are kept to reflect the reasonable accuracy of the financial position of the Company and the Group and to ensure the financial statements comply with all relevant rules and regulations.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Statement on Corporate Governance *cont'd*

6. RECOGNISE AND MANAGE RISKS

Statement on Risk Management and Internal Control

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines. The Statement on Risk Management and Internal Control is set out on page 45 of the Annual Report.

7. TIMELY AND QUALITY DISCLOSURE

Corporate Disclosure Policy

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Board observes the Corporate disclosure Guide issued by the BMSB which can be viewed from BMSB's website at www.bursamalaysia.com as well as adhering to and complying with the disclosure requirements of the Listing Requirements.

8. RELATIONSHIP BETWEEN THE COMPANY AND THE SHAREHOLDERS

Recognizing the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensuring that the shareholders and other stakeholders are well informed of major developments of the Company and the information is communicated to them through the following:-

- (i) The Annual Report;
- (ii) The various disclosures and announcements made to BMSB including the Quarterly Results and Annual Results; and
- (iii) Briefings to the Company's key investors or other investment community in order to provide them a better understanding of the Group's operations and explanation to any concern highlighted.
- (iv) The website at www.theta-edge.com which shareholders as well as members of the public are invited to access for the latest information on the Group.

The Company's AGM serves as a principal forum for dialogue with shareholders. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Extraordinary General Meetings are held as and when required.

Statement on Corporate Governance *cont'd*

8. RELATIONSHIP BETWEEN THE COMPANY AND THE SHAREHOLDERS

At the commencement of the AGM after the calling of the Meeting to order, the Chairman would remind the shareholders, proxies and corporate representatives on their rights to demand for a poll in accordance with the provisions of the Articles of Association of the Company for any resolutions. The Chairman is also aware that he can demand for a poll for substantive resolutions tabled at the shareholder's meeting.

The Board also encourages shareholders to communicate through other channels and has identified En Mohamed Ridza bin Mohamed Abdulla as the Senior Independent Non-Executive Director to whom concerns from the public may be conveyed. En Mohamed Ridza bin Mohamed Abdulla can be contacted via the following channel:-

c/o Theta Edge Berhad
 Bangunan C, Peremba Square
 Saujana Resort, Section U2
 40150 Shah Alam
 Selangor Darul Ehsan

STATEMENT ON COMPLIANCE WITH BEST PRACTICES OF THE CODE

Pursuant to Paragraph 15.25 of the Listing Requirements, the Board is satisfied that the Company has complied with the Code during the financial year with regard to the recommendations supporting the Principles except as otherwise stated.

This statement is made at the Board of Directors' Meeting held on 26 February 2015.

Audit and Risk Management Committee Report

The Board of Directors of Theta Edge Berhad ("Company") is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 31 December 2014.

AUDIT AND RISK MANAGEMENT COMMITTEE COMPOSITION AND MEETINGS

The Audit and Risk Management Committee (ARMC) comprises of three (3) members of the Board all of whom are Non-Executive Directors and two (2) of whom are Independent Directors:-

Chairman:	Mohamed Ridza bin Mohamed Abdulla	<i>(Senior Independent Non-Executive Director)</i>
Members :	Datuk Nor Badli Munawir bin Mohamad Alias Lafti	<i>(Independent Non-Executive Director)</i>
	Adi Azuan bin Abdul Ghani	<i>(Non-Independent Non-Executive Director)</i>

The ARMC met four (4) times during the financial year 2014 and the record of attendance of the ARMC Members is as follows:-

	Number of meetings	
	Attended	Held
Mohamed Ridza bin Mohamed Abdulla	4	4
Adi Azuan bin Abdul Ghani	3	4
Datuk Nor Badli Munawir bin Mohamad Alias Lafti	4	4
Datuk Seri Panglima Hj Abdul Azeez bin Abdul Rahim <i>(Resigned from the ARMC on 20.05.2014)</i>	1	2

Terms of Reference

The objective of the ARMC is to assist the Board to review the adequacy and integrity of Group's financial administration and reporting, internal control and risk management systems, including the management information system and systems of compliance with the applicable laws, regulations, rules, directives and guidelines.

Audit and Risk Management Committee Report cont'd

AUDIT AND RISK MANAGEMENT COMMITTEE COMPOSITION AND MEETINGS cont'd

Balance and Composition

1. The members of the ARMC are to be appointed by the Board and shall comprise of at least three (3) members, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors.
2. None of the members of the ARMC shall be an Alternate Director. Members of the ARMC shall elect a Chairman from among themselves who is an Independent Non-Executive Director.
3. At least two (2) members of the ARMC must be financially literate with sufficient financial experience and ability and at least one member of ARMC must be an Accountant or have such other qualification as defined by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").
4. The ARMC shall have a mixture of expertise and experience, including an understanding of the industry(ies) in which the Group operates.
5. A Member of the ARMC may relinquish their membership in the ARMC with prior written notice to the Company Secretary.
6. The Board shall review the terms of office of the ARMC at least once every three (3) years.
7. In the event of any vacancies arising in the ARMC resulting in the number of members of the ARMC falling below three (3), the vacancy should be filled within three (3) months of it arising.

Authority

1. In carrying out its duties and responsibilities, the ARMC shall, at the expense of the Company:
 - a) have the authority to investigate any activity within its Terms of Reference;
 - b) have full, free and unrestricted access to the Group's records, properties, personnel and other resources;
 - c) have direct communication channels with the external and internal auditors;
 - d) be able to obtain independent professional or other advice in furtherance of its duties; and
 - e) be able to convene meetings with the external auditors, the internal auditors, or both, excluding the attendance of the other Directors and employees, whenever deemed necessary.

Audit and Risk Management Committee Report cont'd

AUDIT AND RISK MANAGEMENT COMMITTEE COMPOSITION AND MEETINGS cont'd

Authority cont'd

2. The ARMC is not authorised to implement its recommendations on behalf of the Board but shall report its recommendations back to the Board for consideration and implementation.
3. Where the ARMC is of the view that a matter reported by it to the Board has been not satisfactorily resolved resulting in a breach of the Main Market Listing Requirements, the ARMC is authorised to promptly report such matter to Bursa Malaysia Securities Berhad.

Duties and Responsibilities

1. Nomination and appointment of the external auditors, the audit fee and any questions of resignation or dismissal of the external auditors;
2. To discuss with the external auditors before the audit commences, the nature and scope of audit, and any other matters as the external auditors may wish to discuss (without the presence of the management, if necessary);
3. To act as an intermediary between the management or other employees, and the external auditors;
4. To review the quarterly results and year-end financial statements before submission to the Board for approval, focusing particularly on:
 - a) any changes in accounting policies and practices;
 - b) significant adjustments arising from the audit;
 - c) litigation that could affect results materially;
 - d) the going concern assumption ;and
 - e) compliance with accounting standards in Malaysia and other legal requirements.
5. To review the external auditors' management letter and management response;
6. In relation to the internal audit function:
 - a) review the adequacy of the scope, function, competency and resources of the internal audit function, and that it has necessary authority to carry out its work;
 - b) review the internal audit plan and result of internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;

Audit and Risk Management Committee Report cont'd

AUDIT AND RISK MANAGEMENT COMMITTEE COMPOSITION AND MEETINGS cont'd

Duties and Responsibilities cont'd

6. In relation to the internal audit function: cont'd
 - c) review the appraisal or assessment of the performance of members of the internal audit function;
 - d) review the independence of internal audit function;
 - e) approve any appointment or termination of senior staff members of the internal audit function; and
 - f) being informed of any resignation of internal audit staff members and to provide the resigning staff member an opportunity to submit his/her reasons for resigning.
7. To consider and report back to the Board any related party transaction and conflict of interest situation that may arise within the Group including any course of conduct that raises questions of management integrity.
8. To consider the major findings of internal investigation and management response.
9. To review and verify the allocation of share options given to the Group's eligible employees is in accordance with the criteria for the employees share option scheme ("ESOS") and the Main Market Listing Requirements of BMSB at the end of each financial year.
10. To review and consider the appropriateness and adequacy of internal process for risk oversight and management. In particular, the ARMC shall:
 - a) review the Enterprise Risk Profile/Register to ensure comprehensive and effective management key risks;
 - b) review and recommend risk management strategies, policies and risk tolerance limits for Board's approval;
 - c) develop and implement adequate risk assessment, monitoring and managing policies and procedures;
 - d) ensure the risk management framework is embedded and consistently applied throughout the Group;
 - e) review the appropriateness of management response to key risk areas and follow-up on management risk treatment action plans reported by the Risk Working Committee ("RWC");
 - f) provide regular reporting and timely update on the operations of the Enterprise Risk Management ("ERM") framework to the Board; and
 - g) receive regular reports on the risk profile, material risks (both financial and non-financial) faced by the Group and action plans taken by the management to mitigate the risks.

Audit and Risk Management Committee Report *cont'd*

AUDIT AND RISK MANAGEMENT COMMITTEE COMPOSITION AND MEETINGS *cont'd*

Duties and Responsibilities *cont'd*

11. In relation to major business investment proposals and/or feasibility:
 - a) to review and evaluate the viability of the proposal/feasibility study prepared that all risks have been considered and are within the Group's strategic goals; and that action plans or strategies to mitigate identified risks are adequate;
 - b) to conduct meetings with the project sponsor(s) and Chief Executive Officer ("CEO"), if necessary, to discuss risk matters related to the proposal; and
 - c) to make recommendation to the Board on the appropriate course of action to take.
12. To oversee the Group's internal compliance and control systems establish by the management, including reviewing the effectiveness of these systems and approving management's programmes and policies to ensure effectiveness.
13. To recommend the proposed provisions and/or writing off and impairment of asset in excess of RM1,000,000.00;
14. To recommend the disposal(s) of assets in excess of RM1,000,000.00
15. Any other functions as directed by the Board.

Meeting and Minutes

1. The ARMC shall meet at least four (4) times during a financial year, but additional meetings may be called at any time at the discretion of the Chairman. In order to form a quorum, the quorum for meeting shall be at least two (2) members where a majority of members present must be Independent Directors.
2. The Executive Directors, Financial Officers and internal auditor and a representative of the external auditors shall normally attend the meetings but may be asked to leave a meeting as and when deemed necessary by the ARMC. Other persons may attend meetings only upon the invitation of the ARMC. However, at least twice a year the ARMC shall meet with the external auditors without the presence of executive board members and employees.
3. The Company Secretary is the Secretary of the ARMC.
4. Minutes of the meetings shall be duly entered into the books provided for the purpose of all resolutions and proceedings of all meetings of the ARMC. The minutes shall be formally tabled to the Board for noting and action.

Audit and Risk Management Committee Report cont'd

AUDIT AND RISK MANAGEMENT COMMITTEE COMPOSITION AND MEETINGS cont'd

Summary of Activities of the ARMC

A summary of the ARMC activities for the financial year ended 31 December 2014 are as follows:-

- a) reviewed the Group's audited financial statements for the financial year ended 31 December 2013 and discussed significant audit findings with the external auditors before recommending the same for the Board's approval.
- b) reviewed and recommended the unaudited quarterly financial results for the Board's approval prior to their release to BMSB.
- c) reviewed and discussed with the external auditors the nature and scope of their audit plan for the Group for the financial year ended 31 December 2014 before the commencement of the audit.
- d) discussed the updates of new developments in accounting standards issued by the Malaysian Accounting Standards Board.
- e) reviewed the internal auditors' plan for year 2014 for the Board's consideration.
- f) reviewed the performance and independence of external auditors before recommending to the Board their re-appointment and the audit fee of the external auditors for the Board's consideration.
- g) reviewed the related party transactions that arose within the Group.
- h) reviewed the internal audit reports issued by the Internal Audit Department and thereafter discussed the management's actions taken to improve the systems of internal control.
- i) reviewed The Statement on Internal Control prior to submission to external auditors for review and to the Board for consideration and inclusion in the Annual Report.

Audit and Risk Management Committee Report cont'd

INTERNAL AUDIT FUNCTION

The Internal Audit Department is independent of the activities or operations of other operating units.

The Internal Audit reports directly to the Audit and Risk Management Committee, to perform regular review and appraisal of the effectiveness of risk management, internal control and governance processes of the Group. Accordingly, activities carried out included risk assessment and internal audits addressing both financial and operational aspects.

In carrying out internal audit review, detailed reports were issued to the Audit and Risk Management Committee over areas on all sides of procurement, contracts or agreements management, costing analysis and tendering. Apart from highlighting any deficiency or areas requiring the management's attention, the reports also included recommendations as well as proposed corrective actions to be implemented by the management. Follow-up audits were then carried-out to determine whether corrective actions had been taken by the management.

The cost incurred by the in-house Internal Audit Department in relation to the conduct of the Internal Audit Functions of the Group for the financial year ended 31 December 2014 amounted to RM200,593.

Statement on Risk Management and Internal Control

INTRODUCTION

This Statement on Risk Management and Internal Control (“Statement”) is made pursuant to Bursa Malaysia Securities Berhad Listing Requirements which requires the Board of Directors (“Board”) to include in its Company Annual Report a statement about the state of its internal control. The revised Malaysian Code on Corporate Governance requires all listed companies to establish and maintain a sound risk management framework and internal control system to safeguard shareholders’ investment and the company’s assets.

Accordingly, the Board is pleased to provide the Statement that was prepared in accordance with the “Statement on Risk Management & Internal Control – Guidelines for Directors of Public Listed Issuers” issued by Bursa Malaysia Securities Berhad which outlines the processes to be adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

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BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system. The Board is of the view that the risk management framework and internal control system are designed to manage the Group’s risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. It can therefore only provide reasonable, rather than absolute assurance of effectiveness against material misstatement of management and financial information or against financial losses and fraud.

The Board has established appropriate control structure and process for identifying, evaluating, monitoring, and managing significant risks that may affect the achievement of business objectives. The control structure and process which have been instituted throughout the Group are updated and reviewed from time to time to suit the changes in the business environment, and this on-going process has been in place for the whole financial year under review and up to the date of approval of this statement for inclusion in the annual report.

Statement on Risk Management and Internal Control *cont'd*

INTERNAL CONTROL STRUCTURE

The key processes that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system include the following:

Risk Management Framework

- The Board has established an organization structure with clearly defined lines of responsibility, authority limits, and accountability aligned to business and operation requirements which support the maintenance of a strong control environment. It has extended the responsibilities of the Board of Audit and Risk Management Committee ("BARC") to include the assessment of internal controls through the Internal Audit function.
- The Board has also delegated the responsibility of reviewing the effectiveness of risk management activities to the BARC. The BARC assists the Board in identifying, assessing, managing and controlling the risks in areas of strategic, operational, legal, finance and other risks to ensure that the risk management process is in place and functioning.
- An Enterprise Risk Management Framework has been established and the Risk Working Committee ("RWC") is assisting the BARC, and shall act within the approving authority delegated by BARC to ensure that the risk management framework is embedded and consistently adopted throughout the Group.

Internal Audit Function

- The Internal Audit Department ("IAD") was set up by Board to provide independent assurance of the adequacy of internal control and governance systems. Internal audit activities are guided by an Internal Audit Charter which is approved by the BARC.
- IAD carries out regular reviews on business processes to assess the adequacy and effectiveness of internal control, compliance with regulations, and highlight significant risks and control weaknesses affecting the Group. IAD also performs ad-hoc tasks, investigations or reviews as and when requested by the Board, BARC and Management.
- Audit and Risk Management Committee meetings are held regularly to deliberately audit findings, management response, and to monitor actions taken by Management in areas with significant control weaknesses. Follow-up audits are conducted to review the adequacy and effectiveness of corrective actions taken by management on all significant matters raised. IAD's annual audit plans are reviewed and approved by the BARC to ensure the adequacy of coverage of significant and high-risk areas.

Statement on Risk Management and Internal Control cont'd

OTHER KEY ELEMENTS OF THE GROUP'S SYSTEM OF INTERNAL CONTROL

Complementing the broad risk management framework and internal control are various control processes that have been implemented by the Group. Some of the key control processes are as follows:

Monitoring Mechanisms and Management Style

Scheduled periodic meeting of the Board and management represent the main platform by which the Group's performance and conduct is monitored. The daily running of the business is entrusted to the Group Managing Director and Chief Executive Officer ("GMD & CEO") and their respective management teams. Under the purview of Chairman and GMD & CEO, the heads of respective operating subsidiaries and departments of the Group are empowered with responsibility of managing their respective operations.

The GMD & CEO actively communicate the Board's expectations through management meetings as well as through attendance at various project and sales meetings. At these meetings, operational and financial risks are discussed and dealt with.

The Board is responsible for setting the business direction and for overseeing the conduct of the group's operations through its various Board Committees and management reporting mechanisms. Through these mechanisms, the Board is informed of major issues pertaining to internal control, regulatory compliance and risk taking.

Audit and Risk Management Committee

The Board recognizes that the Audit and Risk Management Committee forms an integral part of the Group's internal control and risk management framework and in promoting good corporate governance. The Audit and Risk Management Committee performs an important overseer role in maintaining the integrity of the Group's system of internal control and risk management practices. The Audit and Risk Management Committee is assisted by the internal auditors and has access to the external auditor. The activities of the Audit and Risk Management Committee and internal audit function are reported in the Audit and Risk Management Committee Report on pages 38 to 45.

Organization Structure

The Board has strengthened the organization structure for the Group with delineated lines of authority, responsibility and accountability. It has put in place suitably qualified and experienced management personnel to head the Group's diverse operating units with the key focus on delivering results.

Statement on Risk Management and Internal Control cont'd

Authority Limits

The Board has established a Discretionary Authority Limit ("DAL") for approving revenue and capital expenditures for each level of management and has also established cheque signatories' authority level for approving payments. Major capital investments, acquisitions and disposals exceeding a certain threshold must be referred to the Board or relevant Committee for approval.

Budgets

Annual budget is prepared by each business unit and consolidated by Finance Department. These are thoroughly reviewed before they are tabled to the management and the Board for approval.

Performance Monitoring

The Group's performance is monitored closely. On a monthly basis, performance against the business plan and the financial forecasts are reviewed by Finance Department. Monthly management accounts are compared with the approved budget. The monthly management accounts are reviewed and deliberated to management in its monthly operations meeting. The Board monitors the Group's performance by reviewing the quarterly results and operations and examines the announcement made to the Bursa Securities. These are usually reviewed by the Audit and Risk Management Committee before they are tabled to the Board.

Human Resource

The Group emphasizes on human resource development and training as it recognizes the value of its staff in contributing to its growth. There are proper guidelines within the Group for recruitment, performance appraisals and promotion to ensure that only suitably qualified and competent personnel across all levels of management are hired and retained. The Group is also dedicated to continuously develop employees with the relevant and appropriate skills by conducting regular training programs to ensure staff is adequately trained and competent in discharging their responsibilities.

Procurement

There is a centralized and coordinated procurement function for purchases of assets and inventories, project development and maintenance expenditures, which enables the Group to leverage on the economies of scale and ensures adherence to authority limits, policies and procedures. Aided by an integrated purchasing and accounting system, the Group is capable of keeping track of the accuracy, integrity and recording of its assets and expenditures.

Statement on Risk Management and Internal Control cont'd

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively in all material aspects.

The Board is of the view that the risk management and internal control system is satisfactory and no material internal control failures or any of the reported weaknesses have resulted in material losses or contingencies during the financial year under review.

The Board is of the view that the present system of internal control is adequate for the Group to manage its risks and to achieve its business objectives. The Board is committed in ensuring that the Group continuously reviews the internal control system so that it is effective in enhancing shareholders' investments and safeguarding the Group's assets.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the financial year ended 31 December 2014.

CONCLUSION

The Board is of the view that the present system of internal control is adequate for the Group to manage its risks and to achieve its business objectives. The Board is committed in ensuring that the Group continuously reviews the internal control system so that it is effective in enhancing shareholders' investments and safeguarding the Group's assets.

This statement is made at the Board of Directors' Meeting held on 26 February 2015.

Directors' Responsibility Statement for the Annual Audited Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 as to give a true and fair view of the state of affairs and the results and cash flows of the Company and the Group for the financial year.

In preparing the financial statements of the Group for the year ended 31 December 2014, the Directors have adopted appropriate accounting policies and applied them consistently, made prudent and reasonable judgments and estimates and ensured the applicable accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been followed. The financial statements have been prepared on a going concern basis.

The Directors acknowledge and are responsible for ensuring that proper accounting records are kept to reflect the reasonable accuracy of the financial position of the Company and the Group and to ensure the financial statements comply with all relevant rules and regulations.

Additional Compliance Information

(i) Utilisation of Proceeds

During the financial year ended 31 December 2014, there were no proceeds received by the Company from any corporate proposals.

(ii) Share Buy-Back

There were no share buybacks during the year.

(iii) Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2014.

(iv) American Depositary Receipt (ADR) of Global Depositary Receipt (GDR)

The Company has not sponsored any ADR or GDR programmes during the financial year ended 31 December 2014.

(v) Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or management by any regulatory bodies during the financial year.

(vi) Non-Audit Fees

The amount of non-audit fees paid and payable to the external auditors, Messrs Wong Weng Foo & Co by the Group for the financial year ended 31 December 2014 is RM7,000.

(vii) Profit Guarantee

There is no Profit Guarantee received by the Company for the financial year ended 31 December 2014.

(viii) Variation in Results

The Theta Edge Group's audited result for the financial year ended 31 December 2014 has not varied by 10% or more from the Theta Edge Group's unaudited results for the 4th quarter ended 31 December 2014 as previously announced.

Additional Compliance Information *cont'd*

(ix) Material Contracts

There are no material contract(s) (not being contracts entered into in the ordinary course of business) by the Theta Edge Group involving directors and substantial shareholders' interest with the Company and/its subsidiary companies during the financial year.

(x) Recurrent Related Party Transaction of a Revenue or Trading Nature

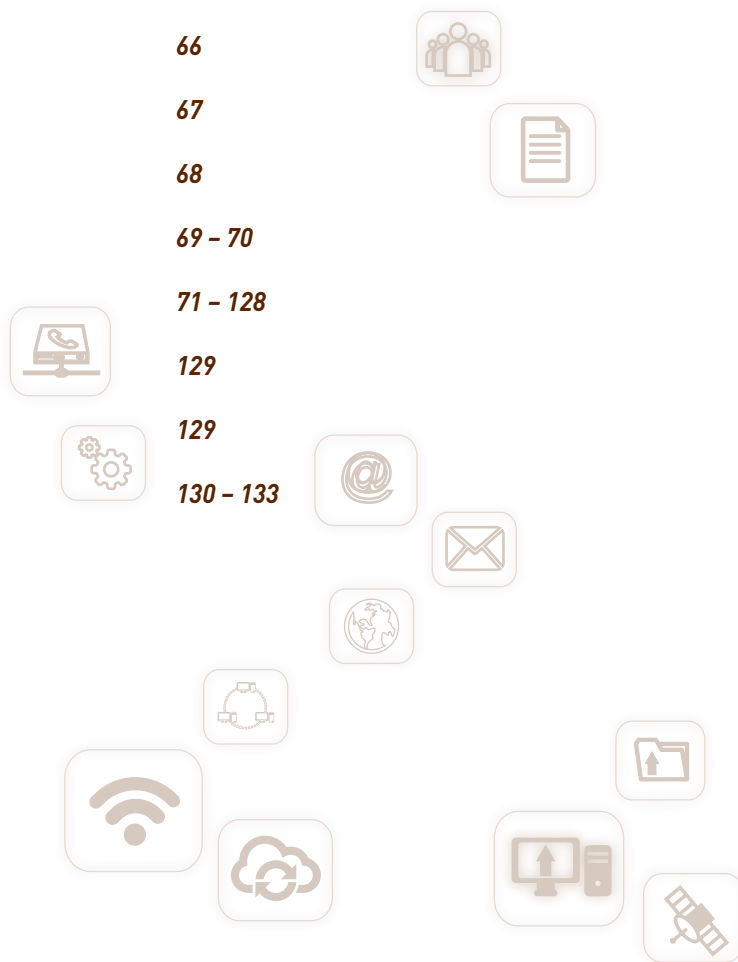
The Company had at the Annual General Meeting held on 24 June 2014 obtained the shareholders' mandate to enter into Recurrent Related Party Transactions ("RRPT") of a revenue nature, which are necessary for the day-to day operations on the terms not more favourable to the related party than those available to the public and not to the detriment of the minority shareholders.

The breakdown of the aggregate value and type of recurrent related party transactions conducted pursuant to the shareholders' mandate for the financial year ended 31 December 2014 is set out below:

Related Party with whom the Group is transacting	Nature of Transactions	Company within the Group involved in RRPT	Interested Related Party	Aggregate value (RM)
Lembaga Tabung Haji Group ("LTH Group") (Recipient)	(i) The Provision of ICT application support services (ii) The Provision of maintenance for ICT hardware and software systems (iii) The Provision of all related ICT system integration, system implementation and related services (iv) The Provision of telecommunication and data transmission services (v) The Provision of desktop managed services and hardware leasing	Theta Group (Provider)	LTH Group, Tan Sri Dato' Hashim bin Meon, Datuk Seri Panglima Hj Abdul Azeez bin Abdul Rahim, Dato' Syed Saleh bin Syed Abdul Rahman and Adi Azuan bin Abdul Ghani	19,597,094

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Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of an investment holding company. The principal activities of the subsidiary companies are stated in Note 4 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Total comprehensive loss	(7,130)	(4,549)
Accumulated loss brought forward	(37,857)	(34,072)
Accumulated loss carried forward	(44,987)	(38,621)

DIVIDEND

No dividend was proposed, declared or paid by the Company since the end of the previous financial year. The directors do not recommend any dividend in respect of the financial year ended 31 December 2014.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

ISSUE OF SHARES OR DEBENTURES

There were no issue of shares or debentures during the financial year.

Directors' Report cont'd

OPTIONS GRANTED OVER UNISSUED SHARES

The Company's Employee Share Options Scheme ("ESOS" or "Scheme") is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 11 May 2011.

EMPLOYEES SHARE OPTION SCHEME

The Scheme shall be in force for a period of five years commencing from 12 May 2011 ("Effective Date") ("Initial Five Years"), provided always that on or before the expiry thereof, the ESOS Committee shall have the sole and absolute discretion, without the Company's shareholders' approval in general meeting, to extend in writing the duration of the Scheme (as many times as the ESOS Committee may deem fit for up to another five (5) years immediately from the expiry of the Initial Five Years provided always that the Scheme does not exceed a maximum period of ten (10) years in its entirety.

The salient features, terms and details of the Scheme are as disclosed in Note 14 to the financial statements.

There were no share options granted over unissued shares by the Company during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of impairment of receivables and are satisfied that all known bad debts have been written off and that adequate impairment had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount of bad debts written off or impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent.

Directors' Report cont'd

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any material charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any material contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year

No material contingent liability or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

Directors' Report *cont'd*

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or in the financial statements of the Group and of the Company that would render any amount stated in the respective financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any items of transaction or events of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or events of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are as follows:-

Tan Sri Dato' Hashim Bin Meon
 Datuk Seri Panglima Abdul Azeez Bin Abdul Rahim
 Dato' Syed Saleh Bin Syed Abdul Rahman
 Adi Azuan Bin Abdul Ghani
 Mohamed Ridza Bin Mohamed Abdulla
 Abdul Halim Bin Jantan
 Datuk Nor Badli Munawir Bin Mohamad Alias Lafti
 Dato' Richard George Azlan Bin Abas
 A. Shukor Bin S. A. Karim

(Appointed on 08.08.2014)

Directors' Report cont'd

DIRECTORS' INTEREST

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year hold any interest in the shares of the Company and its related corporations during the financial year other than as follows:

	← No of Ordinary Shares of RM1 each →			
	Balance at 1.1.2014	Bought	Sold	Balance at 31.12.2014
Shares in the Company				
Dato' Richard George Azlan Bin Abas	910,000	-	-	910,000
Warrants in the Company				
Dato' Richard George Azlan Bin Abas	546,900	-	-	546,900
Employee share option scheme				
	Balance at 1.1.2014	Granted	Exercised	Balance at 31.12.2014
Dato' Richard George Azlan Bin Abas	667,000	-	-	667,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company or its subsidiary companies a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Report cont'd

ULTIMATE HOLDING CORPORATION

The ultimate holding corporation is Lembaga Tabung Haji, a statutory body established under the Tabung Haji Act, 1995 (Act 535).

AUDITORS

The auditors, Messrs Wong Weng Foo & Co., retire at the forthcoming annual general meeting of the Company and do not wish to seek re-election as auditors of the Company.

Signed on behalf of the Board of directors in accordance with a resolution dated 26 February 2015.

TAN SRI DATO' HASHIM BIN MEON
Director

A.SHUKOR BIN S.A. KARIM
Director

KUALA LUMPUR

Consolidated Statements of Financial Position

as at 31 December 2014

ASSETS	Note	2014 RM'000	2013 RM'000
Non-current assets			
Property, plant and equipment	3	4,216	5,566
Interest in jointly-controlled entity	5	675	1,268
Goodwill on consolidation	6	657	657
Intangible assets	7	3,524	4,042
Deferred income tax assets	8	3,902	3,902
		12,974	15,435
Current assets			
Inventories	9	18,191	17,624
Receivables	10	31,556	27,072
Amount due from ultimate holding corporation	11	661	4,040
Deposits, cash and bank balances	13	19,056	22,191
		69,464	70,927
Total assets		82,438	86,362

Consolidated Statements of Financial Position *cont'd*

as at 31 December 2014

ASSETS	Note	2014 RM'000	2013 RM'000
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	14	107,241	107,241
Reserves	15	(43,090)	(35,960)
Total equity		64,151	71,281
LIABILITIES			
Non-current liabilities			
Hire-purchase payables	16	116	207
		116	207
Current liabilities			
Payables	17	14,080	12,072
Hire-purchase payables	16	91	91
Trust receipts	18	-	1,711
Revolving credit	18	4,000	1,000
		18,171	14,874
Total liabilities		18,287	15,081
Total equity and liabilities		82,438	86,362

The attached notes form an integral part of the financial statements.

Consolidated Statements of Comprehensive Income

for the year ended 31 December 2014

ASSETS	Note	2014 RM'000	2013 RM'000
Revenue		98,319	94,903
Cost of Sales		(90,269)	(88,780)
Gross Profit		8,050	6,123
Other Operating Income		364	233
Selling and Distribution Costs		(1,893)	(1,973)
Administrative Expenses		(9,385)	(7,559)
Operating Loss		(2,864)	(3,176)
Other Expenses		(3,617)	(4,032)
Income from Short Term Investments		309	194
Borrowing Costs	19	(355)	(403)
Share of Losses of Jointly-controlled Entity		(593)	(595)
Loss Before Income Tax	19	(7,120)	(8,012)
Income Tax	20	(10)	(5)
Loss For The Financial Year		(7,130)	(8,017)
Other Comprehensive Income, Net of Tax		-	-
Total Comprehensive Loss For The Year		(7,130)	(8,017)
Attributable to:			
Owners of the Company		(7,130)	(8,017)
Loss Per Share (Sen)			
- Basic	21	(6.65)	(7.48)
- Fully diluted	21	*	*

The attached notes form an integral part of the financial statements.

Consolidated Statement of Changes In Equity

for the year ended 31 December 2014

	← Attributable to the equity holders of the Company →			Total RM'000
	Share capital (Note 14) RM'000	Share option reserve RM'000	Reserves (Note 15) Accumulated loss RM'000	
At 1 January 2013	107,241	1,897	(29,840)	79,298
Total comprehensive loss	-	-	(8,017)	(8,017)
As at 31 December 2013/ 1 January 2014	107,241	1,897	(37,857)	71,281
Total comprehensive loss	-	-	(7,130)	(7,130)
As at 31 December 2014	107,241	1,897	(44,987)	64,151

Consolidated Statements of Cash Flows

for the year ended 31 December 2014

	2014 RM'000	2013 RM'000
Cash Flow From Operating Activities		
Loss before income tax	(7,120)	(8,012)
Adjustments for:		
Depreciation of property, plant and equipment	2,718	3,806
Development expenditure written off	518	-
Gain on disposal of property, plant and equipment	(24)	-
Bad debts recovered	(35)	-
Share of losses of jointly-controlled entity	593	595
Impairment for doubtful debts	637	-
Fair value movement	(261)	-
Bad debts written off	40	226
Borrowing costs	355	403
Income from short term deposits	(309)	(194)
Operating loss before working capital changes	(2,888)	(3,176)
Change in inventories	(567)	(1,692)
Change in receivables	(1,491)	9,392
Change in payables	2,008	(215)
Cash (absorbed by)/ generated from operations	(2,938)	4,309
Borrowing costs paid	(355)	(403)
Income from short term deposits received	309	194
Income tax paid	(16)	(56)
Income tax refund	11	85
Net cash (used in)/ provided by operating activities	(2,989)	4,129
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(2,043)	(1,443)
Increase in development costs	-	(477)
Proceeds from disposal of property, plant and equipment	699	19
Net cash used in investing activities	(1,344)	(1,901)

Consolidated Statements of Cash Flows *cont'd*

for the year ended 31 December 2014

	2014 RM'000	2013 RM'000
Cash Flow From Financing Activities		
Repayment of trust receipts	(1,711)	1,711
Increase in revolving credit	3,000	500
Repayment of hire-purchase payable	(91)	(90)
Net cash provided by financing activities	1,198	2,121
Net changes in cash & cash equivalents	(3,135)	4,349
*Cash & cash equivalents brought forward	22,191	17,842
*Cash & cash equivalents carried forward	19,056	22,191
*Cash & cash equivalents consist of:		
Short term deposits with a licensed bank	556	9,588
Fixed deposits with licensed banks	3,703	3,365
Cash and bank balances	14,797	9,238
	19,056	22,191

Included in the cash & cash equivalents is RM3,702,857 (2013-RM3,365,377) which is placed in short term deposits as security for Bank Guarantees issued.

The attached notes form an integral part of the financial statements.

Statements of Financial Position

as at 31 December 2014

	Note	2014 RM'000	2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	207	312
Investment in subsidiary companies	4	54,590	54,590
		54,797	54,902
Current assets			
Receivables	10	2,096	568
Amount due from ultimate holding corporation	11	408	786
Amount due from subsidiary companies	12	11,906	16,181
Deposits, cash and bank balances	13	1,868	3,240
		16,278	20,775
Total assets		71,075	75,677
EQUITY			
Share capital	14	107,241	107,241
Reserves	15	(36,724)	(32,175)
Total equity		70,517	75,066
LIABILITIES			
Current liabilities			
Payables	17	558	611
		558	611
Total liabilities		558	611
Total equity and liabilities		71,075	75,677

The attached notes form an integral part of the financial statements.

Statements of Comprehensive Income

for the year 31 December 2014

	Note	2014 RM'000	2013 RM'000
Revenue		120	120
Other Income		20	2
Administrative Expenses		(5,048)	(5,138)
Operating Loss		(4,908)	(5,016)
Other expenses		(84)	(1,578)
Income from Short Term Investments		444	565
Borrowing costs	19	(1)	-
Loss Before Income Tax	19	(4,549)	(6,029)
Income Tax Expense	20	-	-
Total Comprehensive Loss		(4,549)	(6,029)
Attributable to:			
Owners of the Company		(4,549)	(6,029)

The attached notes form an integral part of the financial statements.

Statements of Changes in Equity

for the year 31 December 2014

	← Attributable to the equity holders of the Company →			
	Share capital (Note 14) RM'000	← Reserves (Note 15) →		Total RM'000
		Share option reserve RM'000	Accumulated loss RM'000	
At 1 January 2013	107,241	1,897	(28,043)	81,095
Total comprehensive loss	-	-	(6,029)	(6,029)
At 31 December 2013/ 1 January 2014	107,241	1,897	(34,072)	75,066
Total comprehensive loss	-	-	(4,549)	(4,549)
At 31 December 2014	107,241	1,897	(38,621)	70,517

The attached notes form an integral part of the financial statements.

Statements of Cash Flows

for the year ended 31 December 2014

	2014 RM'000	2013 RM'000
Cash Flow From Operating Activities		
Loss before income tax	(4,549)	(6,029)
Adjustments for:		
Depreciation	84	110
Income from short term deposits	(444)	(565)
Gain on disposal of property, plant and equipment	(20)	-
Bad debts written off	-	105
Impairment loss on investment of subsidiary companies	-	1,362
Operating loss before working capital changes	(4,929)	(5,017)
Change in receivables	3,125	6,234
Change in payables	(53)	117
Cash (used in)/generated from operations	(1,857)	1,334
Income from short term deposits received	444	565
Net cash (used in)/provided by operating activities	(1,413)	1,899
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(41)	(129)
Proceeds from disposal of property, plant & equipment	81	5
Net cash provided by/(used in) investing activities	41	(124)

Statements of Cash Flows cont'd *for the year ended 31 December 2014*

	2014 RM'000	2013 RM'000
Cash Flows From Financing Activities	-	-
Net changes in cash & cash equivalents	(1,372)	1,775
*Cash & cash equivalents brought forward	3,240	1,465
*Cash & cash equivalents carried forward	1,868	3,240
*Cash & cash equivalents consist of:		
Short term deposits with a licensed bank	30	1,415
Fixed deposits with licensed bank	1,083	378
Cash and bank balances	755	1,447
	1,868	3,240

Included in the cash & cash equivalents is RM1,083,141 (2013 – RM378,540) which is placed in short term deposits as security for Bank Guarantees issued.

The attached notes form an integral part of the financial statements.

Notes to the Financial Statements

31 December 2014

1. GENERAL INFORMATION

- 1.1 The principal activity of the Company during the financial year is that of an investment holding company. The principal activities of the subsidiary companies are stated in Note 4 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.
- 1.2 The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.
- 1.3 The address of the registered office and the principal place of business of the Company is located at Bangunan C, Peremba Square, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan.

2. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000 or '000), except when otherwise indicated.

The preparation of financial statements in conformity with MFRSs, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported financial year. Although these estimates are based on the directors' best knowledge of current events and actions, actual results could differ from those estimates.

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards, Amendments and Issues Committee ("IC") Interpretations have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2016

Amendments to MFRS 5	<i>Non-Current Assets Held for Sale and Discontinued Operations (Annual Improvements To MFRSs 2012-2014 Cycle)</i>
Amendments to MFRS 7	<i>Financial Instruments (Annual Improvements to MFRSs 2012-2014 Cycle)</i>
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor And its Associate or Joint Venture</i>
Amendments to MFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
Amendments to MFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to MFRS 116 and MFRS 138	<i>Clarification of Acceptable Methods on Depreciation and Amortisation</i>
Amendments to MFRS 116 and MFRS 141	<i>Agriculture : Bearer Plants</i>
Amendments to MFRS 119	<i>Employee Benefits (Annual Improvements to MFRSs 2012-2014 Cycle)</i>
Amendments to MFRS 127	<i>Equity in Separate Financial Statements</i>
Amendments to MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)</i>
Amendments to MFRS 134	<i>Interim Financial Reporting Annual (Annual Improvements to MFRSs 2012-2014 cycle)</i>
Amendments to MFRS 138	<i>Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)</i>

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Standards issued but not yet effective (cont'd)

Effective for financial periods beginning on or after 1 January 2016 (cont'd)

Effective for financial periods beginning on or after 1 January 2017

Amendments to MFRS 15 *Revenue from Contracts with Customers*

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS 9 *Financial Instruments*

The Group and the Company will adopt the above relevant pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application.

2.3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

(i) Critical judgement made in applying accounting policies

The directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements in applying the Group and Company's accounting policies other than the basis of preparation of financial statements as disclosed in Note 2.1 to the financial statements.

(ii) Key sources of estimation uncertainty

The directors believes, other than as disclosed in Note 2.1 to the financial statements, that there are no key assumptions made concerning the future and other key sources of estimation uncertainty at the statements of financial position date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries are made up to the end of the financial year.

Subsidiaries are consolidated using the acquisition method from the date of acquisition up to the date of disposal. Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Subsidiaries are consolidated using the acquisition method of accounting except for the following subsidiaries which were consolidated prior to 1 July, 2001 using the merger method of accounting in accordance with Malaysian Accounting Standard No.2 "Accounting for Acquisitions and Mergers", the generally accepted accounting principles prevailing at that time.

Advanced Business Solutions (M) Sdn. Bhd.

The Standard MFRS 3 "Business Combinations" states that all business combinations shall be accounted for by applying the acquisition method. However, the Group have adopted the exemption allowed to apply MFRS 3 on prospective basis. Accordingly, business combinations entered into prior to 1 January, 2006, have not been restated to comply with this Standard.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed off during the financial year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' assets, liabilities and contingent liabilities are determined. The excess of the acquisition cost over the fair values of the Group's share of the subsidiaries' identifiable net assets at the date of acquisition is reflected as goodwill.

If the acquisition cost is less than the fair value of the Group's share of the subsidiaries identifiable net assets at the date of acquisition, the difference is recognised directly in the statements of comprehensive income.

In a piecemeal acquisition, the fair value adjustment attributable to previously held equity interests is accounted for as post-acquisition revaluation.

Notes to the Financial Statements cont'd

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Basis of Consolidation (cont'd)

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the carrying value of the investment in these subsidiaries over the nominal value of the shares acquired is taken to merger reserve.

Non-controlling interests is measured at their share of the post-acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interest, if any.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any carrying amount of goodwill on consolidation and exchange differences which were not previously recognised in the consolidated statements of comprehensive income.

2.5 Goodwill on Consolidation

Goodwill on consolidation represents the excess of the acquisition cost over the Group's share of the fair value of the subsidiaries' identifiable net assets at the date of acquisition and is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Impairment loss on goodwill on consolidation is not reversed in a subsequent period. Negative goodwill is taken immediately to statements of comprehensive income.

2.6 Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost as modified by the revaluation of certain freehold properties of the Group less accumulated depreciation and accumulated impairment loss, if any.

Freehold land is not depreciated as it has infinite life.

Capital work-in-progress comprise the cost of equipment, accessories and all other direct attributable costs for the setting up of a wireless telecommunication data network and are not depreciated.

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Property, Plant and Equipment and Depreciation (con'd)

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred.

Depreciation on other property, plant and equipment is calculated on the straight line method to write off the cost of the assets to their residual value over their estimated useful lives at the following annual rates:-

	Years
Computer equipment	3 - 5
Office and test equipment	5 - 10
Furniture and fittings	10
Motor vehicles	5
Renovation	5 - 7
Plant and machinery	10
Digital media infrastructure	5

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Notes to the Financial Statements cont'd

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Subsidiary Companies

Subsidiaries are those corporations in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investments in subsidiaries are shown in the Company's financial statements at cost less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

2.8 Jointly-Controlled Entities

Joint venture entities are those entities over whose activities the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Joint ventures are accounted for in the financial statements using the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale).

The financial statements include the Company's share of the profit or loss and other comprehensive income of the equity accounted joint ventures, after adjustments, if any, to align the accounting policies with those of the Company, from the date that joint control commences until the date that joint control ceases.

When the Company's share of losses exceeds its interest in an equity accounted joint venture, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the joint venture.

Investments in joint ventures are stated in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale.

Notes to the Financial Statements cont'd

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow moving inventories.

Cost is determined on a weighted average basis and includes import duties, transport and handling costs and any other direct attributable costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

2.10 Income Tax

Income tax on the profit for the year comprises current and deferred income tax liabilities. Current income tax liabilities is the expected amount of income taxes payable in respect of the taxable profit for the year, according to the tax laws of each jurisdiction in which the Group operates, is measured using the tax rates that have been enacted at the statements of financial position date.

Deferred income tax liabilities is provided for, using the liability method, on temporary differences at the statements of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

A deferred income tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred income tax asset is reviewed at each statements of financial position date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilised, the carrying amount of the deferred income tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

Notes to the Financial Statements cont'd

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Receivables

Receivables are carried at anticipated realisable value. An estimate impairment is made for doubtful debts based on a review of all outstanding amounts at the financial year end. Bad debts are written off in the financial year in which they are identified.

2.12 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statements of financial position date and adjusted to reflect the current best estimate.

2.14 Hire-Purchase

Property, plant and equipment acquired under hire-purchase are capitalised and are depreciated on the same basis as owned assets as stated in Note 2.6 and the corresponding obligations relating to the remaining capital payments are treated as liabilities. Finance charges are charged to the statement of comprehensive income over the period of the plan so as to produce a constant periodical rate of charge on the remaining balance of the obligations for each accounting period.

2.15 Borrowings

Borrowings such as bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use. All other borrowing costs are charged to the statements of comprehensive income as an expense in the period in which they are incurred.

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Share Capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, otherwise it is charged to the statements of comprehensive income.

Dividends to shareholders are recognised in equity in the period in which they are declared or approved by shareholders at general meeting.

2.17 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand, bank balances and fixed deposits with licensed banks, net of outstanding bank overdrafts which have an insignificant risk of changes in value.

2.18 Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments. Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Financial Instruments

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

- *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

- *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Financial Instruments (cont'd)

(i) Financial Assets (cont'd)

- *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Notes to the Financial Statements cont'd

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Financial Instruments (cont'd)

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

2.19 Impairment of Assets

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognized in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 Impairment of Assets (cont'd)

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

2.20 Foreign Currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are converted into Ringgit Malaysia, the Company's functional currency, at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies at the statements of financial position date have been converted into Ringgit Malaysia at the rate of exchange ruling at that date. Exchange differences are dealt with through the statements of comprehensive income.

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Employee Benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group.

(ii) Post-employment benefits

Defined contribution plan

The Group's contributions to the defined contribution plan ('Employees Provident Fund') are charged to the statements of comprehensive income in the period in which they relate. Once the contributions have been paid, the Group have no further payment obligations.

2.22 Research and Development Costs

All research cost are recognised in the statements of comprehensive income as incurred.

Expenditure incurred on projects to develop new products is capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the project so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, the availability of resources to complete the project and the ability to measure reliably all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities and it is reasonably anticipated that development costs will be recovered through future commercial activities. Such development costs are recognised as an intangible asset. Product development expenditures which do not meet these criterias are expensed when incurred.

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses, are reviewed at least at each statements of financial position date.

Notes to the Financial Statements *cont'd*

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Contingent Liabilities and Contingent Assets

The Group does not recognise contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group of a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.24 Segment Reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environment.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

Notes to the Financial Statements cont'd

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 Operating Revenue

Operating revenue of the Group represents invoiced value of goods and services sold in the ordinary course of business, net of returns, discounts and allowances and rental income. Operating revenue of the Company represents dividend income from subsidiaries.

2.26 Revenue Recognition

Revenue from sales of goods are recognised upon delivery of products and customer acceptance, if any, or performance of services. Revenue from contract services rendered is recognised in proportion to the stage of completion of the contract, assessed by reference to the proportion of costs incurred for work performance against estimated total contract costs.

Other revenue earned by the Group and the Company are recognised on the following basis:-

- Dividend income - recognised on the date that the Group's or the Company's right to receive payment is established.
- Other income - on receipt basis.

Notes to the Financial Statements *cont'd*

31 December 2014

3. PROPERTY, PLANT AND EQUIPMENT

Group									
2014	Computer	Office &	Furniture	Motor		Plant &	Capital	Digital	Total
COST	Equipment	test	& fittings	vehicles	Renovation	machinery	work-in-	media	
	RM'000	equipment	RM'000	RM'000	RM'000	RM'000	progress	infrastructure	RM'000
		RM'000					RM'000	RM'000	RM'000
At 1 January	4,812	841	204	629	1,908	15,468	6,247	7,135	37,244
Additions	920	276	15	-	832	-	-	-	2,043
Disposals	(583)	(116)	-	-	-	-	-	-	(699)
At 31 December	5,149	1,001	219	629	2,740	15,468	6,247	7,135	38,588
ACCUMULATED IMPAIRMENT LOSSES									
At 1 January	-	5	5	-	3	5,520	6,242	-	11,775
Charge during the year	-	-	-	-	-	-	-	-	-
At 31 December	-	5	5	-	3	5,520	6,242	-	11,775
ACCUMULATED DEPRECIATION									
At 1 January	4,263	320	89	270	1,177	8,916	-	4,868	19,903
Charge for the year	388	117	20	108	383	392	-	1,310	2,718
Disposals	(24)	-	-	-	-	-	-	-	(24)
At 31 December	4,627	437	109	378	1,560	9,308	-	6,178	22,597
NET BOOK VALUE									
At 31 December	522	559	105	251	1,177	640	5	957	4,216

Notes to the Financial Statements *cont'd*

31 December 2014

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2013	Computer Equipment RM'000	Office & test equipment RM'000	Furniture & fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Plant & machinery RM'000	Capital work-in- progress RM'000	Digital media infrastructure RM'000	Total RM'000
At 1 January	4,191	693	204	633	1,640	15,374	6,247	7,135	36,117
Additions	930	148	-	(4)	271	94	-	-	1,443
Disposals/ Written off	(309)	-	-	-	(3)	-	-	-	(316)
At 31 December	4,812	841	204	629	1,908	15,468	6,247	7,135	37,244

ACCUMULATED IMPAIRMENT LOSSES

At 1 January	-	-	-	-	-	5,520	6,242	-	11,775
Charge during the year	-	5	5	-	3	-	-	-	-
At 31 December	-	5	5	-	3	5,520	6,242	-	11,775

ACCUMULATED DEPRECIATION

At 1 January	3,028	182	70	153	885	8,522	-	3,558	16,903
Charge for the year	1,536	138	19	117	292	394	-	1,310	3,806
Disposals/ Written off	(301)	-	-	-	-	-	-	-	(301)
At 31 December	4,263	320	89	270	1,177	8,916	-	4,868	19,903

NET BOOK VALUE

At 31 December	549	516	110	359	728	1,032	5	2,267	5,566
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Notes to the Financial Statements *cont'd*

31 December 2014

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company

2014	Computer & office equipment RM'000	Office equipment RM'000	Furniture & fittings RM'000	Renovations RM'000	Total RM'000
COST					
At 1 January	205	94	24	275	598
Additions	1	32	7	-	40
Disposals	(74)	(7)	-	-	(81)
At 31 December	132	119	31	275	557

ACCUMULATED DEPRECIATION

At 1 January	108	21	9	148	286
Charge for the financial year	16	11	3	54	84
Disposals	(20)	-	-	-	(20)
At 31 December	104	32	12	202	350

NET BOOK VALUE

At 31 December 2014	28	87	19	73	207
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Notes to the Financial Statements *cont'd*

31 December 2014

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2013	Computer & office equipment RM'000	Office equipment RM'000	Furniture & fittings RM'000	Renovations RM'000	Total RM'000
COST					
At 1 January	214	63	24	278	598
Additions	98	31	-	-	129
Disposals/ Written off	(107)	-	-	(3)	(110)
At 31 December	205	94	24	275	598

ACCUMULATED DEPRECIATION

At 1 January	162	14	7	93	276
Charge for the financial year	46	7	2	55	110
Disposals/ Written off	(100)	-	-	-	(100)
At 31 December	108	21	9	148	286

NET BOOK VALUE

At 31 December 2013	97	73	15	127	312
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Included herein for the financial year ended 31 December 2014, were motor vehicles of RM250,923 (2013–RM358,938) of the Group acquired under hire-purchase.

Notes to the Financial Statements *cont'd*

31 December 2014

4. INVESTMENT IN SUBSIDIARY COMPANIES

Company	2014 RM'000	2013 RM'000
Unquoted shares, at cost	97,902	97,902
Less: Accumulated impairment loss	(43,312)	(43,312)
	54,590	54,590

The subsidiary companies, incorporated in Malaysia, are as follows:-

a) Direct subsidiary companies

Name of company	Group's effective equity interest				Principal activities
	2014		2013		
	Direct %	Indirect %	Direct %	Indirect %	
Advanced Business Solutions (M) Sdn. Bhd.	100	-	100	-	Dealers, software writers, compilers and testers, system developers, trainers and consultants in computers and all services related to information technology industry
Impianas Sdn. Bhd.	100	-	100	-	Public mobile data network operator
Konsortium Jaya Sdn. Bhd.	100	-	100	-	Sale and maintenance of computers and telecommunication equipment, peripherals and related services
Lityan Applications Sdn. Bhd.	100	-	100	-	Marketing of computer products, provision of application development services and all other computer related activities

Notes to the Financial Statements *cont'd*

31 December 2014

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies, incorporated in Malaysia, are as follows:-

a) Direct subsidiary companies

Name of company	Group's effective equity interest				Principal activities
	2014		2013		
	Direct %	Indirect %	Direct %	Indirect %	
Sistem Komunikasi Gelombang Sdn. Bhd.	100	-	100	-	Supply of telecommunication equipments and services and provision of customized total systems integration services and solutions
THT Integrated Solutions Sdn. Bhd	100	-	100	-	Information technology solutions
*TH Computers Sdn. Bhd.	100	-	100	-	Distributions of computers and computers related equipments
TH2.0 Sdn. Bhd.	100	-	100	-	Investment holding company

b) Indirect subsidiary company (held through Advanced Business Solutions (M) Sdn. Bhd.)

Name of company	Group's effective equity interest				Principal activities
	2014		2013		
	Direct %	Indirect %	Direct %	Indirect %	
Hi Pro Edar (M) Sdn. Bhd.	-	100	-	100	Carrying on business associated with or in promotion of IT industry

* Not audited by Wong Weng Foo & Co.

Notes to the Financial Statements *cont'd*

31 December 2014

5. INTEREST IN JOINTLY-CONTROLLED ENTITY

Group	2014 RM'000	2013 RM'000
Unquoted shares at cost	3,000	3,000
Share of losses of jointly-controlled entity	(2,325)	(1,732)
	675	1,268

The details of the jointly-controlled entity, incorporated in Malaysia, is as follows:-

Name of company	Effective equity interest		Principal activities
	2014 %	2013 %	
Taha Alam Sdn. Bhd.	50	50	To carry on the business of providing product and services relating to Hajj and Umrah related operations globally

6. GOODWILL ON CONSOLIDATION

Group At 31 December	2014 RM'000	2013 RM'000
Cost	59,132	59,132
Accumulated amortisation	(18,069)	(18,069)
Accumulated impairment losses	(40,406)	(40,406)
Net book value	657	657

Notes to the Financial Statements *cont'd*

31 December 2014

7. INTANGIBLE ASSETS

Group

Development costs

The development costs represent cost incurred to further develop and enhance the existing accounting software and development of the KJ-iFinancials and Enterprise Hajj Registration and Management System ("EHRAMS") both which had been registered with the Intellectual Property Corporation of Malaysia as well as costs to develop a Property and Realty Cloud Listing Estate System ("PARCLES") to be provided to customers of certain subsidiary companies.

Group	2014 RM'000	2013 RM'000
Cost	4,042	4,042
Less: Expenses charged out	(518)	-
	3,524	4,042

8. DEFERRED INCOME TAX ASSETS

Group	2014 RM'000	2013 RM'000
Balance at 1 January/ 31 December	3,902	3,902
Deferred income tax assets comprise:-		
Tax losses	3,902	3,902

Notes to the Financial Statements *cont'd*

31 December 2014

8. DEFERRED INCOME TAX ASSETS (cont'd)

The deferred income tax assets represents tax losses of a subsidiary company that are available for offset against its future taxable profits. The amount of deductible temporary differences and unused tax losses for which no deferred tax assets is recognised in the statements of financial position are as follows:

Group	2014 RM'000	2013 RM'000
Tax losses and allowances	108,642	106,200

9. INVENTORIES

Group	2014 RM'000	2013 RM'000
Equipment and supplies	21,728	21,161
Less: Allowance for slow moving inventories	(3,537)	(3,537)
At net realisable value	18,191	17,624

Notes to the Financial Statements *cont'd*

31 December 2014

10. RECEIVABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	25,475	24,096	1,340	105
Less: Impairment of receivables				
- Balance at 1 January	(310)	(310)	-	-
- Impairment during the year	(637)	-	-	-
- Balance at 31 December	(947)	(310)	-	-
	24,528	23,786	1,340	105
Other receivables	-	40	-	-
	-	40	-	-
Amount receivable from employees	179	125	10	12
Less: Impairment of receivables				
- Balance at 1 January	-	(38)	-	-
- Written off during the year	-	38	-	-
- Balance at 31 December	-	-	-	-
	179	125	10	12

Notes to the Financial Statements *cont'd*

31 December 2014

10. RECEIVABLES (cont'd)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits	1,349	2,590	746	428
Less: Impairment of receivables				
- Balance at 1 January	-	(2)	-	-
- Written off during the year	-	(119)	-	-
- Balance at 31 December	-	(121)	-	-
	1,349	2,469	746	428
Prepayments	5,402	549	-	23
Tax recoverable	98	103	-	-
	31,556	27,072	2,096	568

The ageing analysis of the Group's trade receivables is as follows:-

Group	2014 RM'000	2013 RM'000
Neither past due not impaired	10,064	9,922
Past due but not impaired:-		
- Past due 31 – 120 days	5,551	3,966
- Past due more than 120 days	8,913	9,898
Impaired	14,464	13,864
	947	310
	25,475	24,096

Notes to the Financial Statements *cont'd*

31 December 2014

10. RECEIVABLES (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy trade receivables with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM 16,358,000 (2013:RM 13,864,000) that past due at the end of the reporting period but not impaired because there have been no significant changes in credit quality of the receivable and the amounts are still considered recoverable. The Group does not hold any collateral or credit enhancements over these balances.

11. ULTIMATE HOLDING CORPORATION AND RELATED COMPANIES

The directors regard Lembaga Tabung Haji, a statutory body established under the Tabung Haji Act 1995 (Act 535) as the ultimate holding corporation.

The amounts due from ultimate holding corporation and related companies are in relation to trade transactions in the ordinary course of business.

12. AMOUNT DUE FROM SUBSIDIARY COMPANIES

Company	2014 RM'000	2013 RM'000
Amount due from subsidiary companies	54,716	58,991
Less: Impairment of receivables		
- Balance at 1 January/ 31 December	(42,810)	(42,810)
	11,906	16,181

The amount due from subsidiary companies are charged at 3% (2013 : 3%) per annum, unsecured and have no fixed terms of repayment.

Notes to the Financial Statements *cont'd*

31 December 2014

13. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Short term deposits with a licensed bank	556	9,588	30	1,415
Fixed deposits with licensed banks	3,703	3,365	1,083	378
Cash and bank balances	14,797	9,238	755	1,447
	19,056	22,191	1,868	3,240

The profit rates and maturity periods of fixed deposits as at 31 December 2014 are as follows:-

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit (per annum)	3.01%- 4.17%	2.95%-3.73%	3.01%- 4.17%	2.95%-3.73%
Maturity periods	1 to 12 months	1 to 12 months	1 to 12 months	1 to 12 months

Notes to the Financial Statements *cont'd*

31 December 2014

14. SHARE CAPITAL

Group & Company	2014		2013	
	Number of ordinary shares of RM1 each '000	RM'000	Number of ordinary shares of RM1 each '000	RM'000
Authorised:	500,000	500,000	500,000	500,000
Issued and fully paid:	107,241	107,241	107,241	107,241

The Company's ESOS is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 11 May 2011.

The principal features of ESOS are as follows:

- a) Scheme shall be in force for a period of five years commencing from 12 May 2011 ("Effective Date") ("Initial Five Years"), provided always that on or before the expiry thereof, the ESOS Committee shall have the sole and absolute discretion, without the Company's shareholders' approval in general meeting, to extend in writing the duration of the Scheme (as many times as the ESOS Committee may deem fit) for up to another five (5) years immediately from the expiry of the Initial Five Years provided always that the Scheme does not exceed a maximum period of ten (10) years in its entirety.
- b) The maximum number of new shares to be offered and allotted under ESOS shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company (excluding treasury shares) at any point of time when the ESOS Offer is made or any limit prescribed by any guidelines, rules and regulations of the relevant authorities during the duration of the Scheme. The Company will within the duration of the Scheme keep available sufficient unissued shares in the share capital of the Company to satisfy all outstanding Options.

Notes to the Financial Statements *cont'd*

31 December 2014

14. SHARE CAPITAL (cont'd)

- c) Subject to the discretion of the ESOS committee, any employee (including Executive Directors) of the Company and its subsidiary companies shall be eligible to participate in the Scheme if, as at the Date of Allocation, the employee or Executive Director:-
- i) is a Malaysian citizen who has attained eighteen (18) years of age;
 - ii) must have been confirmed in service and have served at least continuously one (1) year in the employment of the Group (unless the ESOS committee under certain circumstances and at its sole discretion reduces the period of one (1) year to a lesser period as it deems fit) including service during probationary period and have been confirmed on the date of the ESOS offer;
 - iii) where the employee is under an employment contract, the contract is for a duration of at least one (1) year and shall have not expired within three (3) months from the date of ESOS Offer;
 - iv) where the Executive Director is under an employment contract, the contract is for a duration of at least six (6) months and shall have not expired within three (3) months from the date of ESOS Offer; and
 - v) must have complied with any other criteria imposed by the ESOS Committee from time to time;

Provided always that the selection of any Executive Director or Employee for participation in the Scheme shall be at the discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

No Eligible Person shall participate at any time in more than one (1) ESOS implemented by any company within the Group for the duration of the Scheme.

Any Executive Director or Employee who are employed by, appointed by or on the payroll of any company within the Group are also eligible to participate in the Scheme provided they fulfil the selection criteria.

No Eligible Person shall participate at any time in more than one (1) ESOS implemented by any company within the Group for the duration of the Scheme.

Notes to the Financial Statements *cont'd*

31 December 2014

14. SHARE CAPITAL (cont'd)

- c) Subject to the discretion of the ESOS committee, any employee (including Executive Directors) of the Company and its subsidiary companies shall be eligible to participate in the Scheme if, as at the Date of Allocation, the employee or Executive Director:- (cont'd)

Any ESOS Offer, allocation of Options under the Scheme and the related allotment of shares to any person who is a Executive Director, major shareholder or chief executive officer of the Company, or holding company of the Company or persons connected to such Executive Director, major shareholders or chief executive officer shall require the prior approval of the shareholders of the Company in a general meeting. The foregoing persons and persons connected to them shall not vote on the resolution approving the said ESOS Offer, allocation and allotment.

- d) The aggregate number of new share that may be offered and allotted to any Selected Person under the Scheme shall be at the absolute discretion of the ESOS Committee after taking into consideration the position, performance, seniority and length of service of the Selected Person in the Eligible Company subject to the following:-
- (i) that the aggregate number of Shares comprised in the Options made available under the Scheme shall not exceed the amount stipulated in the By-Laws but the ESOS Committee shall not be obliged in any way to offer a Selected Person an Option for all the specified maximum number of shares;
 - (ii) that not more than fifty percent (50%) of the shares available under the Scheme at the point in time when the Offer is made shall be allocated, in aggregate, to the Executive Directors and Senior Management. The term "Senior Management" shall be subject to criteria to be determined by the ESOS Committee that may change from time to time.
 - (iii) that not more than ten percent (10%) of the shares available under the Scheme at the point when the ESOS Offer is made shall be allocated to any individual Selected Person who, either singly or collectively through persons connected (within the meaning given under paragraph 1.01 of the Listing Requirements) with such Selected Person holding twenty percent (20%) or more of the issued and paid-up share capital of the Company; and
 - (iv) that any performance target to be achieved before the Options can be granted and/or exercised by an Eligible Person shall be determined by the ESOS Committee.

Notes to the Financial Statements cont'd

31 December 2014

14. SHARE CAPITAL (cont'd)

- d) The aggregate number of new share that may be offered and allotted to any Selected Person under the Scheme shall be at the absolute discretion of the ESOS Committee after taking into consideration the position, performance, seniority and length of service of the Selected Person in the Eligible Company subject to the following:- (cont'd)

In circumstances where the maximum allowable allotment as provided under the By-Laws is amended by Bursa Securities Malaysia Berhad or any other relevant authority from time to time, the ESOS Committee shall have the absolute discretion to make the necessary adjustments so that the number of new Shares that may be offered to any one of the Eligible Person shall be in accordance with the provisions of the Listing Requirements and/or the relevant authority prevailing during the duration of the Scheme.

A Grantee who is promoted during the tenure of the Scheme may be eligible for consideration of new additional Shares under the Scheme at the discretion of the ESOS Committee up to the Maximum Allowable Allocation to be determined by the ESOS Committee for the category to which he has been promoted to. A Grantee who is demoted to a lower employment category for whatever reason shall only be entitled to the allocation of that lower category unless an ESOS Offer has been made and accepted by him before such demotion.

- e) An Option granted to Grantee under the Scheme, subject to the provisions of the By-Laws is exercisable only by the Grantee during his employment of the Group and within the Option Period.

Upon an acceptance of an Offer, the Grantee may during the Option Period exercise his Options in full or in part on such time and working days as the ESOS Committee may from time to time notify the Grantee. The ESOS Committee may at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of the new Shares and/or such percentage of total new Shares comprised in the Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESOS Committee in their sole discretion including amending or varying and terms and conditions imposed earlier.

Any partial exercise of the Option shall not preclude the Grantee from exercising the Option as to the balance of the shares of his entitlement under the Scheme (if any) prior to the expiry of the Grantee's employment contract or prior to the expire of the Option Period, whichever is the earlier. When an Option is exercised only in part a new Option certificate for the balance of the Options not exercised shall be issued accordingly by the ESOS Committee to the Grantee within thirty (30) days after receipt by the Company of notice of the partial exercise together with the requisite remittance.

Notes to the Financial Statements *cont'd*

31 December 2014

14. SHARE CAPITAL (cont'd)

- f) The price at which a Grantee is entitled to subscribe for each new share to be offered shall be determined by the ESOS Committee at:
- i) the volume weighted average market price of the Company's shares for the five (5) market days immediately preceding the date of the ESOS Offer subject to a discount of not more than ten per cent (10%) which the Company may at its discretion decide to give; or
 - ii) the par value of the Company's shares;

whichever is the higher.

- g) All new ordinary shares issued upon exercise of the options granted under ESOS will rank pari-passu in all respects with the existing ordinary shares of the Company except that the shares so issued will not be entitled to any dividends, rights allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares and will be subject to all the provisions of the Company's articles of association relating to transfer, transmission and otherwise of the shares.

The number of options over the ordinary shares of RM1.00 each of the Company granted under ESOS are as follows:

Number of options over ordinary shares of RM1.00 each

Option price per share RM	Granted on 14.6.2011	Lapsed and available for reallocation	Balance at 1.1.2014	Lapsed and available for reallocation	Balance at 31.12.2014
1.05	5,909,000	(2,713,000)	3,196,000	(232,000)	2,964,000

Notes to the Financial Statements *cont'd*

31 December 2014

14. SHARE CAPITAL (cont'd)

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a binomial model with the following inputs:

Fair value of share options and assumptions	2011
Fair value at grant date	RM0.34
Exercise price	RM1.05
Weighted average share price at grant date	RM0.8372
Expected volatility	50.54%
Option life	5 years
Risk-free rate	3.27%

15. RESERVES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable:				
Share option reserve	1,897	1,897	1,897	1,897
Accumulated loss	(44,987)	(37,857)	(38,621)	(34,072)
	(43,090)	(35,960)	(36,724)	(32,175)

Notes to the Financial Statements *cont'd*

31 December 2014

16. HIRE-PURCHASE PAYABLES

Group	2014 RM'000	2013 RM'000
Minimum payments		
- not later than 1 year	104	104
- later than 1 year and not later than 5 years	131	235
	235	339
Less: Future hire-purchase charges	(28)	(41)
Present value	207	298
Total payable:	207	298
Less: payable within 1 year	(91)	(91)
Payable after 1 year	194	207

The hire-purchase term was five (5) years. The borrowing rate ranges from 4.00% to 4.25% per annum. The rate was fixed at the inception of the hire-purchase arrangements.

17. PAYABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	8,121	6,154	-	-
Fees & emolument payable to directors	163	385	163	385
Billings in advance	3,123	2,811	-	-
Other payables	1,666	1,697	220	152
Accruals	1,007	1,025	175	74
	14,080	12,072	558	611

Notes to the Financial Statements *cont'd*

31 December 2014

17. PAYABLES (cont'd)

- (a) Fees payables to directors

The amounts due to directors were cost free, unsecured and have no fixed terms of repayment.

- (b) Billings in advance

Billings in advance represent invoiced value of goods and services sold to customers. Billings in advance are not recognised as revenue in accordance with MFRS 118 "Revenue" as the significant risks and rewards of ownership of the goods and services have not been transferred to the customers as at statement of financial position date.

18. BANK OVERDRAFTS AND OTHER CREDIT FACILITIES

Group	2014 RM'000	2013 RM'000
Secured:		
Trust receipts	-	1,711
Unsecured:		
Revolving credit	4,000	1,000
	2014	2013
Range of floating profit rates	5.36% - 5.66%	5.43% - 7.80%

The credit facilities are guaranteed by the Company.

Notes to the Financial Statements *cont'd*

31 December 2014

19. LOSS BEFORE INCOME TAX

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loss before income tax is arrived at after charging/ (crediting):-				
Auditors' remuneration:				
Statutory audit fee				
- current year	97	83	37	23
- overprovision in prior year	-	-	(2)	-
Other services	7	14	7	14
	104	97	42	37
Depreciation (Note 3)	2,718	3,806	84	110
Fair value movement	(261)	-	-	-
Development expenditure written off	518	-	-	-
Impairment for doubtful debts	637	-	-	-
Impairment on investment in subsidiary companies	-	-	-	1,362
Bad debts written off	40	226	-	105
Realised loss/ (gain) on foreign exchange	4	(1)	4	-
Office rental paid to ultimate holding corporation	-	248	-	226
Office / Warehouse rental	542	293	403	200
Bad debts recovered	(35)	-	-	-

Notes to the Financial Statements *cont'd*

31 December 2014

19. LOSS BEFORE INCOME TAX (cont'd)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Staff costs:				
Directors' remuneration				
- fees	185	169	185	169
- salaries, bonus & allowances	974	926	974	926
	1,159	1,095	1,159	1,095
Other staff				
- salaries, wages, bonus & allowances	16,174	13,405	1,821	1,757
- defined contribution plan - EPF	1,925	1,647	218	212
- others	166	141	16	15
	18,265	15,193	2,055	1,984
Gain on disposal of property, plant and equipment	(24)	-	(20)	-
Management fees from subsidiary companies	-	-	(120)	(120)
Income from short term deposits				
- fixed deposits and repurchase agreements	(309)	(194)	(34)	(16)
- subsidiary companies	-	-	(410)	(549)
- others	(340)	-	-	-

Notes to the Financial Statements *cont'd*

31 December 2014

19. LOSS BEFORE INCOME TAX (cont'd)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Borrowing costs				
- bank overdrafts	-	3	-	-
- trust receipts, bank guarantee, letter of credit and revolving credit	342	387	-	-
- hire-purchase	13	13	-	-
- subsidiary companies	-	-	1	-
	355	403	1	-

b) Directors' remuneration

Directors' remuneration is analysed as follows:

Directors of the Company

Executive directors				
- Fees	-	25	-	25
- salaries and other emoluments	659	667	659	667
Non-executive directors				
- fees	185	144	185	144
- other emoluments	315	259	315	259
	1,159	1,095	1,159	1,095

Notes to the Financial Statements *cont'd*

31 December 2014

19. LOSS BEFORE INCOME TAX (cont'd)

Group

2014
Executive

2013
Executive

The number of executive directors in office as at financial year end,
whose remuneration fell within the following ranges (per annum):-

Directors of the Company

RM50,000 and below	-	1
RM650,001 – RM700,000	1	1

Notes to the Financial Statements *cont'd*

31 December 2014

20. INCOME TAX

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current income tax liabilities:				
Estimate for the year	-	5	-	-
Underprovision in prior years	10	-	-	-
	10	5	-	-
Reconciliation of effective tax rate:-				
Loss before income tax	(7,120)	(8,012)	(4,549)	(6,029)
Tax using statutory tax rate of 25%	(1,781)	(2,003)	(1,137)	(1,507)
Non-deductible expenses	1,318	787	106	266
Non-taxable income	(131)	(119)	-	-
(Utilised)/ Unutilised capital allowances	(431)	365	9	20
Increase in unabsorbed year tax losses	1,489	1,891	1,031	1,241
Current year tax losses not recognised	1,112	1,340	1,031	1,241
Deferred tax assets not recognised	(1,556)	(2,256)	(1,040)	(1,261)
Other items	(20)	-	-	-
Underprovision in prior years	10	-	-	-
	10	5	-	-

Notes to the Financial Statements *cont'd*

31 December 2014

21. LOSS PER SHARE

Basic

Basic loss per share is calculated by dividing the loss after income tax by the weighted average number of ordinary shares in issue during the financial year.

Group	2014 RM'000	2013 RM'000
Loss attributable to the equity holders of the Company	(7,130)	(8,017)
Weighted average number of ordinary shares in issue	107,241	107,241
Basic loss per share (sen)	(6.65)	(7.48)

Fully diluted

For the diluted loss per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The dilutive potential ordinary shares for the year of the Group and of the Company are share options granted to employees and the warrants which is in issue at the end of the financial period.

Outstanding warrants and share options are deemed to have been converted into ordinary shares at the beginning of the year or on the date when the options were granted whichever is the later.

* However the diluted effect is not computed as it is anti-dilutive.

Notes to the Financial Statements *cont'd*

31 December 2014

22. SEGMENTAL REPORTING

(a) primary reporting format - business segments:

Group	Telecommunication & Information technology RM'000	Others RM'000	Total RM'000
Financial year ended 31 December 2014			
Revenue			
Revenue	98,319	120	98,439
Intersegment revenue	-	(120)	(120)
	98,319	-	98,319
Results			
Segment results	(1,695)	(4,477)	(6,172)
Borrowing cost			(355)
Share of losses of jointly-controlled entity			(593)
Loss before income tax			(7,120)
Income tax expense			(10)
Comprehensive loss for the financial year attributable to parent			(7,130)

Notes to the Financial Statements *cont'd*

31 December 2014

22. SEGMENTAL REPORTING (cont'd)

(a) primary reporting format - business segments: (cont'd)

Group	Telecommunication & Information technology RM'000	Others RM'000	Total RM'000
Financial year ended 31 December 2013			
Revenue			
Revenue	94,903	120	95,023
Intersegment revenue	-	(120)	(120)
	94,903	-	94,903
Results			
Segment results	(2,422)	(4,592)	(7,014)
Borrowing cost			(403)
Share of losses of jointly-controlled entity			(595)
Loss before income tax			(8,012)
Income tax expense			(5)
Comprehensive loss for the financial year attributable to parent			(8,017)

Notes to the Financial Statements *cont'd*

31 December 2014

22. SEGMENTAL REPORTING (cont'd)

(a) primary reporting format - business segments: (cont'd)

Group	Telecommunication & Information technology RM'000	Others RM'000	Total RM'000
Financial year ended 31 December 2014			
Other information			
Total assets	77,075	5,363	82,438
Total liabilities	(17,727)	(560)	(18,287)
Capital expenditure	2,004	39	2,043
Depreciation and amortisation	2,634	84	2,718
Allowances, write-offs and impairment losses	1,195	-	1,195
Financial year ended 31 December 2013			
Other information			
Total assets	79,421	6,941	86,362
Total liabilities	(14,467)	(614)	(15,081)
Capital expenditure	1,310	133	1,443
Depreciation and amortisation	3,696	110	3,806
Allowances, write-offs and impairment losses	-	226	226

Information communication and technology segment represents the core business of the Group.

Other operations of the Group mainly comprise investment holding, property investment and provision of building maintenance services, neither which are of a sufficient size to be reported separately.

Inter-segment revenue comprise management fees and rental of office.

Notes to the Financial Statements *cont'd*

31 December 2014

22. SEGMENTAL REPORTING (cont'd)

- (a) primary reporting format - business segments: (cont'd)

Segment assets consist primarily of property, plant and equipment, goodwill on consolidation, inventories, receivables and operating cash and exclude investment, deferred tax assets and tax recoverable which are included in unallocated assets. Segment liabilities comprise operating liabilities and exclude items such as tax, borrowings and hire-purchase payables.

Capital expenditure comprises additions to property, plant and equipment (Note 3).

- (b) Secondary reporting format – geographical segments

Analysis by geographical segments have not been presented as the operation of Group is in Malaysia.

23. FINANCIAL INSTRUMENTS

- (a) **Financial risk management objectives and policies**

The Group's activities expose it to a variety of financial risk, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not trade in financial derivatives.

- (i) **Foreign currency exchange risk**

The Group is exposed to currency risk as a result of the foreign currency transactions entered into by subsidiaries in currencies other than their functional currency. These companies did not use any derivative financial instrument during the financial year to limit their exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

- (ii) **Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits and is managed through the use of floating rate debts.

Notes to the Financial Statements *cont'd*

31 December 2014

23. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial risk management objectives and policies (cont'd)

(iii) Market risk

For key product and asset purchases, the Group negotiates with suppliers on the acceptable price levels including quantity discounts and enters into physical supply agreements, where necessary, to achieve these levels.

The Group does not use any derivative financial instrument to limit its exposure from changes in the price of quoted investment outside Malaysia.

(iv) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The Group have no significant concentration of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia. In addition, the Group have given financial guarantees to its trade customers and the Company has also given corporate guarantees to subsidiaries for banking facilities.

(v) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Notes to the Financial Statements *cont'd*

31 December 2014

23. FINANCIAL INSTRUMENTS (cont'd)

b) Classification of Financial Instruments

i) Classification of financial instruments is as follows:

Group	2014 RM'000	2013 RM'000
FINANCIAL ASSETS		
Loans and receivables financial assets		
Receivables	31,556	27,072
Amount due from ultimate holding corporation	661	4,040
Deposits, cash and bank balances	19,056	22,191
	51,273	53,303
FINANCIAL LIABILITIES		
Other financial liabilities		
Payables	14,080	12,072
Hire-purchase payables	91	298
Trust receipts	-	1,711
Revolving credit	4,000	1,000
	18,171	15,081

Notes to the Financial Statements *cont'd*

31 December 2014

23. FINANCIAL INSTRUMENTS (cont'd)

b) Classification of Financial Instruments (cont'd)

ii) Net gains and losses arising from financial instruments

Group	2014 RM'000	2013 RM'000
Net losses arising from:		
Loans and receivables	(590)	(31)
Other financial liabilities	(355)	(403)
	(945)	(434)

c) Fair values

The carrying amounts of financial assets and liabilities of the Group and the Company at the statements of financial position date approximated their fair values.

24. CAPITAL MANAGEMENT

Group

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances.

During the year, no significant changes were made in the objectives, policies or processes for managing capital.

Notes to the Financial Statements *cont'd*

31 December 2014

24. CAPITAL MANAGEMENT (cont'd)

Group (cont'd)

The debts-to-equity ratio at the reporting date was as follows:

	2014 RM'000	2013 RM'000
Debts		
Total borrowings	4,207	3,009
Payables	14,080	12,072
	<hr/> 18,287	<hr/> 15,081
Capital		
Total Equity	<hr/> 64,151	<hr/> 71,281
Debts-to-equity	<hr/> 0.29	<hr/> 0.21

25. COMMITMENTS

The Company will provide continuing financial support to the following subsidiaries so as to enable them to meet their liabilities and financial obligations as and when they fall due:

- (i) Advanced Business Solutions (M) Sdn. Bhd.
- (ii) Lityan Applications Sdn. Bhd.
- (iii) Impianas Sdn. Bhd.
- (iv) Hi Pro Edar (M) Sdn. Bhd.
- (v) Sistem Komunikasi Gelombang Sdn. Bhd.

Notes to the Financial Statements *cont'd*

31 December 2014

26. CONTINGENT LIABILITIES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
i) Bank guarantees issued to trade customers	7,818	5,886	4,477	1,558
ii) Corporate guarantee issued for banking facilities for subsidiary companies	72,989	57,000	48,500	57,000

Included in the Contingent Liabilities is a RM48,000,000 Corporate Guarantee given for a project financing facility which, except for a Bank Guarantee issued to a third party amounting RM3,702,857, there are no amount outstanding to the financial institution as the project facilities had been fully repaid and cancelled.

27. RELATED PARTY TRANSACTIONS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sales to ultimate holding corporation	(15,860)	(16,632)	-	-
Sales to related companies	(3,362)	(3,168)	-	-
Electricity paid to ultimate holding corporation	-	25	-	25
Rental paid to ultimate holding corporation	-	248	-	226
Impairment loss on investment in subsidiary companies	-	-	-	1,362
Management fees received from subsidiary companies	-	-	(120)	(120)
Income from subsidiary companies	-	-	(410)	(549)
Rental of equipment paid by related companies	(375)	(230)	-	-

Notes to the Financial Statements *cont'd*

31 December 2014

28. MATERIAL LITIGATIONS

(A) Inforntential 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

Notes to the Financial Statements *cont'd*

31 December 2014

28. MATERIAL LITIGATIONS (cont'd)

(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.

Notes to the Financial Statements cont'd

31 December 2014

28. MATERIAL LITIGATIONS (cont'd)

(B) Impianas Sdn Bhd v Tenaga Nasional Berhad (cont'd)

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.

The Court has now fixed the matter for case management on 30 January 2015 for parties to file the common bundle of documents and necessary cause papers for preparation of trial.

Notes to the Financial Statements cont'd

31 December 2014

28. MATERIAL LITIGATIONS (cont'd)

(B) Impianas Sdn Bhd v Tenaga Nasional Berhad (cont'd)

The matter is fixed for trial on 18, 19 and 20 March 2015 .

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.

29. PRESENTATION CURRENCY

All amounts are stated in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) unless otherwise indicated.

Notes to the Financial Statements *cont'd*

31 December 2014

30. SUPPLEMENTARY INFORMATION – BREAKDOWN OF ACCUMULATED LOSS INTO REALISED AND UNREALISED

The breakdown of the accumulated loss of the Group and of the Company as at 31 December 2014 into realised and unrealised loss is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2014 RM'000	Company 2014 RM'000
Total accumulated loss of the Company and its subsidiaries		
- Realised	(96,962)	(38,621)
- Unrealised	3,902	-
Less: Consolidation adjustments	48,073	-
Accumulated loss as per financial statements	(44,987)	(38,621)

31. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of directors on 26 February 2015.

Before me:

Independent Auditors' Report

to the members of Theta Edge Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Theta Edge Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 60 to 128.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report (cont'd)

to the members of Theta Edge Berhad

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report of the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiary company of which we have not acted as auditors, which is indicated in Note 4 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report (cont'd)

to the members of Theta Edge Berhad

Other Matters

The supplementary information on Note 30 on page 128 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.

AF: 0829

CHARTERED ACCOUNTANTS

KUALA LUMPUR

Dated this: 26 February 2015

ABD HALIM BIN HUSIN

2095/12/16 (J)

CHARTERED ACCOUNTANT

Analysis of Shareholdings

as at 30 April 2015

Class of shares	: Ordinary shares of RM1.00 each
Voting Rights	: One vote per share
Authorised Share Capital	: 500,000,000 ordinary shares of RM1.00 each
Issued and Paid-up Capital	: 107,241,269 ordinary shares of RM1.00 each

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 APRIL 2015

Size of Shareholdings	← Shareholders →		← Shareholdings →	
	Number	%	Number	%
Less than 99	329	4.40	11,724	0.01
100 - 1,000	5,448	72.90	1,564,410	1.46
1,001 - 10,000	1,190	15.92	4,556,718	4.25
10,001 - 100,000	445	5.95	13,868,881	12.93
100,001 – 5,362,062 (*)	61	0.82	13,559,886	12.64
5,362,063 and above (**)	1	0.01	73,679,650	68.71
TOTAL	7,474	100	107,241,269	100

Notes:

* less than 5% of issued shares

** 5% and above of issued shares

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 30 APRIL 2015

NO	INVESTOR NAME	NO OF SHARES	%
1	Lembaga Tabung Haji	73,679,650	68.70
2	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank For Richard George Azlan Bin Abas (MY1182)</i>	910,000	0.85
3	KENANGA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Leong Kam Chee (002)</i>	630,000	0.59
4	Lim Pow Toon	584,800	0.55

Analysis of Shareholdings (cont'd)

as at 30 April 2015

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 30 APRIL 2015 cont'd

NO	INVESTOR NAME	NO OF SHARES	%
5	Ramesh A/L Kanapathy	542,499	0.50
6	AFFIN HWANG Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Hu Siew Huay (HUS0015C)</i>	400,000	0.37
7	Lim Chai Kee @ Lim Gaik Kee	383,700	0.36
8	ALLIANCEGROUP Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Siew Booy (D18)</i>	347,400	0.32
9	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Ah Kow</i>	347,300	0.32
10	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Boon Cheong</i>	337,000	0.31
11	Zainal Abidin Bin Maidin	330,075	0.31
12	Chong Mei	321,000	0.30
13	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chong Choon Loong</i>	319,100	0.30
14	Toh Tee Kwang @ Chew Tee Kwong	275,100	0.26
15	Wong Lee Leng	270,000	0.25
16	MAYBANK Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Eng Lai Sim</i>	269,300	0.25
17	Teo Ah Seng	260,600	0.24
18	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Asiah Binti Othman (STA 1)</i>	260,400	0.24
19	Chong Kay Lin	242,200	0.23

Analysis of Shareholdings (cont'd) as at 30 April 2015

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 30 APRIL 2015 cont'd

NO	INVESTOR NAME	NO OF SHARES	%
20	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Koh Kin Lip (CTS-KKL0001C)</i>	233,500	0.22
21	Pee Yu Chi	230,075	0.21
22	KENANGA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Wong Khie Meng (010)</i>	229,300	0.21
23	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ong Yew Beng (E-SJA)</i>	211,500	0.20
24	Soo Poh Kum	208,000	0.19
25	Hew Kat Fah	207,200	0.19
26	Chong Choon Loong	200,000	0.19
27	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ser Kong Lam</i>	200,000	0.19
28	Koh Kin Lip	200,000	0.19
29	Ong Seng Khek	200,000	0.19
30	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Wong Hon Ming</i>	200,000	0.19
	TOTAL	83,029,699	77.42

Analysis of Shareholdings *(cont'd)*

as at 30 April 2015

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(According to the Register of Substantial Shareholders as at 30 April 2015)

	← Direct No of Shares	→ %
Lembaga Tabung Haji	73,679,650	68.70

DIRECTORS' DIRECT AND INDIRECT INTEREST IN THETA EDGE BERHAD ("COMPANY") AND ITS RELATED CORPORATIONS

(According to the Register of Directors' Shareholdings as at 30 April 2015)

Name of Director	Direct Interest		Indirect Interest	
	Name of Shares	%	No. of shares	%
Tan Sri Dato' Hashim bin Meon	-	-	-	-
Datuk Seri Panglima Hj Abdul Azeez bin Abdul Rahim	-	-	-	-
Dato' Syed Saleh bin Syed Abdul Rahman	-	-	-	-
Adi Azuan bin Abdul Ghani	-	-	-	-
Mohamed Ridza bin Mohamed Abdulla	-	-	-	-
Abdul Halim bin Jantan	-	-	-	-
Datuk Nor Badli Munawir bin Mohamad Alias Lafti	-	-	-	-
Dato' Richard George Azlan bin Abas	910,000	0.85	-	-
A. Shukor bin S.A. Karim	-	-	-	-

Analysis of Warrants Holdings

as at 30 April 2015

Total Number of Warrants Issued : 30,487,336
 Outstanding Warrants : 30,487,336
 Exercise Price of Warrants : RM1.199

DISTRIBUTION OF WARRANTS HOLDINGS AS AT 30 APRIL 2015

Size of Warrants Holdings	← Warrants Holders →		← Warrants Holders →	
	Number	%	Number	%
Less than 99	63	9.74	3,639	0.01
100 - 1,000	232	35.86	121,658	0.40
1,001 - 10,000	206	31.84	905,370	2.97
10,001 - 100,000	125	19.32	4,534,669	14.87
100,001 - 1,524,365 (*)	20	3.09	4,820,050	15.81
1,524,366 and above (**)	1	0.15	20,101,950	65.94
TOTAL	647	100	30,487,336	100

Notes:

* less than 5% of issued warrants

** 5% and above of issued warrants

LIST OF THIRTY LARGEST WARRANTS HOLDERS AS AT 30 APRIL 2015

NO	NAME OF WARRANTS HOLDERS	NO OF WARRANTS	%
1	Lembaga Tabung Haji	20,101,950	65.94
2	KENANGA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tony Chew	899,800	2.95
3	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Richard George Azlan Bin Abas (MY1182)	546,900	1.79
4	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Asiah Binti Othman (STA 1)	360,000	1.18

Analysis of Warrants Holdings (cont'd)

as at 30 April 2015

LIST OF THIRTY LARGEST WARRANTS HOLDERS AS AT 30 APRIL 2015 cont'd

NO	NAME OF WARRANTS HOLDERS	NO OF WARRANTS	%
5	Yap Mun Huat	318,000	1.04
6	KENANGA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Helen Yong</i>	280,000	0.92
7	Wang Hui Keng	239,050	0.78
8	MIDF AMANAH INVESTMENT Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ab Ghani Bin Haji Mahmood (CTS-AGH0001C)</i>	210,000	0.69
9	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ser Kong Lam</i>	200,000	0.66
10	Tony Chew	192,100	0.63
11	Chong Mei	185,900	0.61
12	PUBLIC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Wong Ting Hiong (E-BTL)</i>	178,400	0.59
13	Teo Ah Seng	169,400	0.56
14	Chong Pah Aung	165,000	0.54
15	Wang Hayley	160,000	0.52
16	Chong Kay Lin	142,300	0.47
17	Heng Peng Kee	126,300	0.41
18	Soo Poh Kum	122,300	0.40

Analysis of Warrants Holdings (cont'd)

as at 30 April 2015

LIST OF THIRTY LARGEST WARRANTS HOLDERS AS AT 30 APRIL 2015 cont'd

NO	NAME OF WARRANTS HOLDERS	NO OF WARRANTS	%
19	Wu Song See @ Goh Song See	113,600	0.37
20	Sumi Matsumura	110,000	0.36
21	Tan Jee Kean	101,000	0.33
22	Ong Wee Zin	100,000	0.33
23	Chan Lim Yin	97,000	0.32
24	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank For Wong Ah Yong (MY1278)</i>	96,200	0.32
25	Kong Yau Leng	95,000	0.31
26	Toh Tee Kwang @ Chew Tee Kwong	91,700	0.30
27	Ng Boon Cheong	83,000	0.27
28	Ambank (M) Berhad <i>Pledged Securities Account For Wong Ah Yong (SMART)</i>	82,000	0.27
29	Chuah Hai Leng	82,000	0.27
30	Azhar Bin Abu Bakar	80,500	0.26
TOTAL		25,729,400	84.39

Analysis of Warrants Holdings *(cont'd)*

as at 30 April 2015

SUBSTANTIAL WARRANTS HOLDERS

(According to the Register of Substantial Warrants Holders as at 30 April 2015)

	← Direct No. of Warrants	→ %
Lembaga Tabung Haji	20,101,950	65.94

DIRECTORS' DIRECT AND INDIRECT INTEREST IN THETA EDGE BERHAD ("COMPANY") AND ITS RELATED CORPORATIONS

(According to the Register of Directors' Warrants Holdings as at 30 April 2015)

Size of Shareholdings	Direct Interest		Indirect Interest	
	Name of Director	%	No. of Warrants	%
Tan Sri Dato' Hashim bin Meon	-	-	-	-
Datuk Seri Panglima Hj Abdul Azeez bin Abdul Rahim	-	-	-	-
Dato' Syed Saleh bin Syed Abdul Rahman	-	-	-	-
Adi Azuan bin Abdul Ghani	-	-	-	-
Mohamed Ridza bin Mohamed Abdulla	-	-	-	-
Abdul Halim Bin Jantan	-	-	-	-
Datuk Nor Badli Munawir bin Mohamad Alias Lafti	-	-	-	-
Dato' Richard George Azlan bin Abas	546,900	1.79	-	-
A. Shukor bin S.A. Karim	-	-	-	-

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of THETA EDGE BERHAD ("Company") will be held at TH Hotel Kelana Jaya, Jalan SS6/1, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Monday, 15 June 2015 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESSES

- | | | |
|----|--|--|
| 1. | To receive the audited financial statements together with the reports of the Directors and Auditors for the year ended 31 December 2014. | <i>(Please refer to Explanatory Note 1)</i> |
| 2. | To re-elect Tan Sri Dato' Hashim Bin Meon who retires by rotation pursuant to Article 96 of the Company's Articles of Association. | <i>(Resolution 1)</i> |
| 3. | To re-elect Dato' Syed Saleh Bin Syed Abdul Rahman who retires in accordance with Article 96 of the Company's Articles of Association. | <i>(Resolution 2)</i> |
| 4. | To re-elect Datuk Nor Badli Munawir Bin Mohamad Alias Lafti who retires in accordance with Article 96 of the Company's Articles of Association. | <i>(Resolution 3)</i> |
| 5. | To re-elect Encik Abdul Halim Bin Jantan who retires in accordance with Article 102 of the Company's Articles of Association. | <i>(Resolution 4)</i> |
| 6. | To approve the Directors' fees amounting to RM210,000.00 for the financial year ending 31 December 2015. | <i>(Resolution 5)</i> |
| 7. | To appoint Messrs. KPMG Desa Megat & Co. as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | <i>(Resolution 6)</i> |

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A", has been received by the Company nominating Messrs. KPMG Desa Megat & Co. for appointment as Auditors of the Company in place of the retiring Auditors, Messrs. Wong Weng Foo & Co. and of the intention to move the following motion to be passed as an Ordinary Resolution of the Company:

"THAT Messrs. KPMG Desa Megat & Co. be appointed as Auditor of the Company in place of the retiring Auditors, Messrs. Wong Weng Foo & Co. and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors."

Notice of Annual General Meeting *(cont'd)*

AS SPECIAL BUSINESSES

8. To consider and if thought fit, pass the following ordinary resolutions with or without modifications as Ordinary Resolutions of the Company:-

ORDINARY RESOLUTION 1 AUTHORITY TO ISSUE SHARES

(Resolution 7)

“**THAT** subject always to the Companies Act, 1965 and the approvals of the regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company.”

ORDINARY RESOLUTION 2 PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING IN NATURE AND RENEWAL OF THE EXISTING GENERAL MANDATE FOR CONTRACTS WHICH ARE REVENUE IN NATURE

(Resolution 8)

“**THAT** subject to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad,

- (a) approval be and is hereby given for the Renewal of the Existing Shareholders' Mandate and General Mandate for the Company to enter into and give effect to the category of the recurrent arrangements or transactions of a revenue or trading nature from time to time with Related Party(ies) as specified in Section 2.1.2 of the Circular to Shareholders dated 22 May 2015 ;
and

Notice of Annual General Meeting *(cont'd)*

- (b) a New Shareholders' Mandate be and is hereby granted for the Company to enter into additional recurred related party transactions of a revenue or trading in nature from time to time with the Related Party(ies), as specified in Section 2.1.2 of the Circular to Shareholders dated 22 May 2015, provided that such transactions are :-
- (i) recurrent transactions of a revenue or trading in nature;
 - (ii) necessary for the Company's day-to-day operations;
 - (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Party(ies) than those generally available to the public; and
 - (iv) not to the detriment of minority shareholders;

(the "Mandate");

THAT the Mandate given by the shareholders of the Company shall only continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposal is passed, at which time such Mandate will lapse, unless by a resolution passed at the meeting, the authority for the Proposal is renewed;
- (ii) the expiration of the period, within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be authorized to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate".

Notice of Annual General Meeting *(cont'd)*

9. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board,

CYNTHIA GLORIA LOUIS (MAICSA 7008306)
CHEW MEI LING (MAICSA 7019175)
Company Secretaries

22 May 2015
Shah Alam

Notes:-

Appointment of Proxy

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote in his stead and such a proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The Proxy Form shall be under the hand of the appointor or of his attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or its duly authorised attorney.
5. The instrument appointing a proxy must be deposited at the Share Registrar, Tricor Investor Services Sdn. Bhd. at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting.

Notice of Annual General Meeting *(cont'd)*

Members Entitled to Attend

6. For purposes of determining a member who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Depository, in accordance with Article 67(A) of the Company's Articles of Association and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors as at 9 June 2015. Only a depositor whose name appears on the General Meeting Record of Depositors as at 9 June 2015 shall be entitled to attend, speak and vote at the said meeting or appoint a proxy(ies) on his/her behalf.

Explanatory Notes:-

1. **Directors' Report, Audited Financial Statement and the Auditors' Report for the financial year ended 31 December 2014**

This Agenda Item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence is not put forward for voting.

2. **Authority to issue shares under Section 132D (Resolution 7)**

The Directors did not issue any new share pursuant to the existing mandate.

The proposed Ordinary Resolution 1, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, to allot and issue ordinary shares up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for the time being from the unissued capital of the Company pursuant to Section 132D of the Companies Act, 1965 and that such an authority, unless revoked or varied at a general meeting, will expire at the next AGM.

The mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, funding for future investment project(s) and/or acquisitions of assets and/or working capital.

3. **Proposed Renewal of the existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading in Nature and Renewal of the existing General Mandate for Contracts which are Revenue in Nature (Resolution 8)**

The proposed Ordinary Resolution 2, if approved, will allow Theta Edge Group to enter into Recurrent Related Party Transactions pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Further information on the Proposed Renewal of the existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading in Nature and Renewal of the existing General Mandate for Contracts which are Revenue in Nature is set out in the Circular to Shareholders of the Company dated 22 May 2015 which is dispatched together with the Company's 2014 Annual Report.

Statement Accompanying Notice of Annual General Meeting

1. Directors who are standing for re-election at the Twenty-Second Annual General Meeting of the Company are: -

Tan Sri Dato' Hashim Bin Meon

(Resolution 1)

Dato' Syed Saleh Bin Syed Abdul Rahman

(Resolution 2)

Datuk Nor Badli Munawir Bin Mohamad Alias Lafti

(Resolution 3)

Encik Abdul Halim Bin Jantan

(Resolution 4)

2. Further details of Directors who are standing for re-election are set out in the Profile of Directors appearing on pages 8 to 16 of the Annual Report.

The Board of Directors
Theta Edge Berhad
Bagunan C, Peremba Square
Saujana Resort, Section U2
40150 Shah Alam, Selangor

Our : CFS (S) 429/505/20-263 JLD 6 (37)
Ref.

Date : 13 May 2015

Dear Sirs,

Notice of Nomination of Messrs. KPMG Desa Megat & Co. as Auditors of Theta Edge Berhad ('Company')

TH, being a shareholder of the Company, hereby give notice, pursuant to Section 172(11) of the Companies Act 1965, of our intention to nominate Messrs KPMG Desa Megat & Co. for appointment as Auditors of the Company in place of the retiring Auditors, Messrs Wong Weng Foo & Co. and propose the following ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company.

"THAT Messrs KPMG Desa Megat & Co. be appointed as Auditor of the Company in place of the retiring Auditors, Messrs Wong Weng Foo & Co. to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Thank you.

Yours faithfully,



Rifin Md Ariff

Senior General Manager (Corporate Finance & Services)
For Group Managing Director
and Chief Executive Officer
LEMBAGA TABUNG HAJI

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CDS account no.

I/We _____ (name as per NRIC, in capital letters)
 NRIC No./Company No. _____ (new) _____ (old)
 of _____ (full address)
 being a member(s) of **THETA EDGE BERHAD**, hereby appoint _____ (name of
 proxy as per NRIC, in capital letters) NRIC/Passport No _____ (new) _____ (old)
 of _____ (full address)
 address) or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held at TH Hotel Kelana Jaya, Jalan SS6/1, Kelana Jaya, 47301, Petaling Jaya, Selangor Darul Ehsan on Monday, 15 June 2015 at 10.00 a.m. and at any adjournment thereof, in the manner indicated below:-

NO	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Tan Sri Dato' Hashim Bin Meon who retires by rotation pursuant to Article 96 of the Company's Articles of Association.		
2.	To re-elect Dato' Syed Saleh bin Syed Abdul Rahman who retires in accordance with Article 96 of the Company's Articles of Association.		
3.	To re-elect Datuk Nor Badli Munawir Bin Mohamad Alias Lafti who retires in accordance with Article 96 of the Company's Articles of Association.		
4.	To re-elect Encik Abdul Halim Bin Jantan who retires in accordance with Article 102 of the Company's Articles of Association.		
5.	To approve the Directors' fees amounting to RM210,000.00 the financial year ending 31 December 2015.		
6.	To appoint Messrs. KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Authority to allot shares pursuant to Section 132D of the Companies Act, 1965.		
8.	Proposed renewal of the existing shareholders' mandate and new shareholders' mandate for recurrent related party transactions of a revenue or trading in nature and renewal of the existing general mandate for contracts which are revenue in nature.		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

 Signature/Common Seal

Number of shares held: _____

Date : _____

Notes :

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote in his stead and such a proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The Proxy Form shall be under the hand of the appointor or of his attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or its duly authorised attorney.
- The instrument appointing a proxy must be deposited with the Share Registrar, Tricor Investor Services Sdn. Bhd. at Level 17, the Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty- eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Members Entitled to Attend

- For purposes of determining a member who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Depository, in accordance with Article 67(A) of the Company's Articles of Association and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors as at 9 June 2015. Only a depositor whose name appears on the General Meeting Record of Depositors as at 9 June 2015 shall be entitled to attend, speak and vote at the said meeting or appoint a proxy(ies) on his/her behalf.

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RM0.80
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The Share Registrar

TRICOR INVESTOR SERVICES SDN. BHD. [118401-V]

Level 17, The Gardens North Tower

Mid Valley City

Lingkaran Syed Putra

59200 Kuala Lumpur, Malaysia

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