

**GREEN PACKET BERHAD ( 534942-H )**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER AND SIX MONTHS PERIOD  
ENDED 30 JUNE 2008 (UNAUDITED)**

	Individual Quarter		Cummulative Quarter	
	3 Months Period Ended		6 Months Period Ended	
	30/6/2008	30/6/2007	30/6/2008	30/6/2007
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Revenue	22,445	35,557	44,789	66,964
Operating expenses	(30,727)	(25,866)	(56,402)	(49,490)
Other income	4,606	3,050	5,879	5,814
(Loss)/Profit from operations	(3,676)	12,741	(5,734)	23,288
Finance costs	(883)	(95)	(1,002)	(106)
Share of net (loss)/profit in associates	(1,048)	511	(1,716)	590
(Loss)/Profit before taxation	(5,607)	13,157	(8,452)	23,772
Income tax	(972)	(565)	(1,481)	(1,433)
Net (loss)/profit for the period	(6,579)	12,592	(9,933)	22,339
Attributable to:				
Equity holders of the Company	(4,889)	13,263	(7,622)	23,276
Minority interests	(1,690)	(671)	(2,311)	(937)
Earnings per share attributable to ordinary equity holders of the Company:				
- Basic (sen)	(1.5)	4.0	(2.3)	7.0
- Diluted (sen)	(1.5)	4.0	(2.3)	7.0

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

**GREEN PACKET BERHAD ( 534942-H )**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008**

	<b>As at 30/6/2008</b>	<b>As at 31/12/2007</b>
	<b>(Unaudited) RM'000</b>	<b>(Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	97,059	25,203
Investment property	40,758	-
Intellectual property	12,920	14,060
Development costs	36,070	27,912
Investment in associates	23,119	24,835
Other long term investments	34,523	34,434
Goodwill on acquisition	11,877	11,877
	<u>256,326</u>	<u>138,321</u>
<b>Current assets</b>		
Inventories	13,676	13,834
Work in progress	9,852	5,471
Trade receivables	40,363	46,574
Other receivables, deposits and prepayments	18,162	20,932
Tax recoverable	2,271	2,947
Deposits with licensed banks	67,051	77,364
Cash and bank balances	162,029	165,103
	<u>313,404</u>	<u>332,225</u>
<b>TOTAL ASSETS</b>	<u><u>569,730</u></u>	<u><u>470,546</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to ordinary equity holders of the parent</b>		
Share capital	66,656	66,656
Reserves	339,919	353,551
	<u>406,575</u>	<u>420,207</u>
<b>Minority interests</b>	<u>15,469</u>	<u>20,906</u>
<b>Total equity</b>	<u><u>422,044</u></u>	<u><u>441,113</u></u>
<b>Non-current liability</b>		
Bank borrowings	114,450	2,624
Hire purchase and finance lease liabilities	2,901	-
Deferred tax liabilities	461	770
	<u>117,812</u>	<u>3,394</u>
<b>Current liabilities</b>		
Trade payables	6,686	5,294
Other payables and accruals	21,582	19,706
Hire purchase and finance lease liabilities	1,606	1,039
	<u>29,874</u>	<u>26,039</u>
<b>TOTAL LIABILITIES</b>	<u><u>147,686</u></u>	<u><u>29,433</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>569,730</u></u>	<u><u>470,546</u></u>
<b>Net asset per share attributable to ordinary equity holders of the parent (RM)</b>	<u><u>1.22</u></u>	<u><u>1.26</u></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008 (UNAUDITED)

	<-----Attributable to Equity Holders of the Parent ----->							Minority Interests	Total Equity
	Non-Distributable					Distributable			
	Shares capital	Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Retained Profits	Sub-total		
<b>6 months period ended 30 June 2008</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at 1 January 2008	66,656	259,002	(199)	(6,687)	3,254	98,181	420,207	20,906	441,113
Acquisition from minority interests	-	-	-	-	-	-	-	(3,126)	(3,126)
Purchase of treasury shares	-	-	-	(4,700)	-	-	(4,700)	-	(4,700)
Share-based payment under ESOS	-	-	-	-	1,179	-	1,179	-	1,179
Net loss for the financial period	-	-	-	-	-	(7,622)	(7,622)	(2,311)	(9,933)
Current translation difference	-	-	(2,489)	-	-	-	(2,489)	-	(2,489)
Balance at 30 June 2008	66,656	259,002	(2,688)	(11,387)	4,433	90,559	406,575	15,469	422,044

	<-----Attributable to Equity Holders of the Parent ----->							Minority Interests	Total Equity
	Non-Distributable					Distributable			
	Shares capital	Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other reserves	Retained Profits	Sub-total		
<b>6 months period ended 30 June 2007</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at 1 January 2007	44,437	281,833	297	-	1,238	90,239	418,044	6,413	424,457
Share-based payment under ESOS	-	-	-	-	1,683	-	1,683	-	1,683
Dividend payable to minority shareholders	-	-	-	-	-	(888)	(888)	-	(888)
Dividend paid	-	-	-	-	-	(22,219)	(22,219)	-	(22,219)
Net profit for the financial period	-	-	-	-	-	23,276	23,276	(937)	22,339
Issuance of shares to minority shareholder	-	-	-	-	-	-	-	8,642	8,642
Current translation difference	-	-	297	-	-	-	297	-	297
Balance at 30 June 2007	44,437	281,833	594	-	2,921	90,408	420,193	14,118	434,311

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008 (UNAUDITED)**

	6 months period ended	
	30/6/2008	30/6/2007
	(Unaudited) RM'000	(Unaudited) RM'000
<b>CASH FLOW FROM / (FOR) OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(8,452)	23,772
Adjustments for non cash items:-		
Allowance for doubtful debts	5,546	-
Amortisation of development cost	295	283
Amortisation of intellectual property	1,140	1,140
Depreciation of plant and equipment	2,389	2,048
Equipment written off	-	17
Interest expenses	646	29
Interest income	(2,487)	(4,119)
Negative goodwill	(1,809)	-
Share based payment under ESOS	1,179	1,683
Share of net loss/(profit) in associates	1,716	(590)
Unrealised losses on foreign exchange	95	369
Operating profit before working capital changes	258	24,632
Changes in working capital		
Increase in current assets	(2,119)	(9,788)
Increase/(Decrease) in current liabilities	4,511	(20,091)
Cash from / (for) operating activities	2,650	(5,247)
Interest paid	(646)	(29)
Tax paid	(1,059)	(3,662)
<b>Net cash from / (for) operating activities</b>	<b>945</b>	<b>(8,938)</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Acquisition from minority interests	(3,126)	-
Acquisition of subsidiaries, net of cash acquired	(39,250)	-
Acquisition of long term investments	(89)	(16,189)
Development expenditure incurred	(8,453)	(8,018)
Interest received	2,487	4,119
Purchase of plant and equipment	(72,365)	(5,567)
<b>Net cash for investing activities</b>	<b>(120,796)</b>	<b>(25,655)</b>
<b>CASH FLOW FROM / (FOR) FINANCING ACTIVITIES</b>		
Dividend paid to shareholder of the Company	-	(22,219)
Proceeds from issuance of shares to minority shareholder	-	8,642
Drawdown of bank borrowings	114,450	-
Purchase of treasury shares	(4,700)	-
Repayment to hire purchase and finance lease liabilities	(797)	(112)
<b>Net cash from / (for) financing activities</b>	<b>108,953</b>	<b>(13,689)</b>
Net decrease in cash and cash equivalents	(10,898)	(48,282)
Foreign exchange translation differences	(2,489)	296
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>242,467</b>	<b>303,832</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>229,080</b>	<b>255,846</b>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	162,029	100,900
Fixed deposit with licensed bank	67,051	154,946
	<b>229,080</b>	<b>255,846</b>

The condensed cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007.

**NOTES TO THE UNAUDITED INTERIM REPORT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008**

**A Explanatory Notes Pursuant to Financial Reporting Standard ("FRS") 134 Interim Financial Reporting**

**A1 Basis of preparation**

This interim financial statements of the Group are unaudited and have been prepared in accordance with FRS 134 (Interim Financial Reporting Standard) issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9 Part K paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2007.

The accounting policies, method of computation and basis of consolidation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2007, except for the adoption of the following revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 January 2008:-

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 8	Scope of FRS 2

The adoption of the abovementioned FRSs does not have any significant financial impact on the Group.

As at the date of this report, the Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

**A2 Auditors' report on preceding annual financial statements**

The auditor's report on the financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

**A3 Seasonal or cyclical factors of interim operation**

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

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

During the current financial quarter and period under review, there were no items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence.

**A5 Material changes in estimates**

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

## A6 Changes in debts or equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year-to-date ended 30 June 2008, except for:

- i) The shareholders of GPB had given their approval for GPB to buy-back its own shares at the Extraordinary General Meeting ("EGM") held on 14 November 2007. During the 6 months period ended 30 June 2008, GPB bought back from the open market, 2,059,200 ordinary shares of RM0.20 each ("GPB Shares") listed and quoted on the Main Board of Bursa Malaysia Securities Berhad at an average buy-back price of RM2.28 per share. The total consideration paid for the share buy-back of GPB Shares by GPB during the 6 months period ended 30 June 2008, including transaction costs, was RM4,699,761.66 and was financed by internally generated funds. The GPB Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965. As at 30 June 2008, the total shares bought back, all of which are held as treasury shares, amounted to 4,705,700 GPB Shares. None of the treasury shares held were resold or cancelled during the 6 months period ended 30 June 2008.
- ii) On 28 March 2008, the Company issued 8,939,200 new options ("New Options") pursuant to the Company's Employees Shares Option Scheme ("ESOS") which are exercisable into new GP Shares at an exercise price of RM 2.09 per ordinary share over the vesting period of the options.

The New Options will expire by 1 September 2011. The movement of the options since commencement of the ESOS is as follow :

	Number of options over ordinary shares of RM0.20 each ( '000)
Balance as at 1 Jan 2008	9,962
Granted at 28 March 2008	8,939
Exercised	-
Lapsed	-
Outstanding as at 30 June 2008	<u>18,901</u>
Exercisable as at 30 June 2008 (over the vesting period)	<u>996</u>

## A7 Dividends

There were no dividends paid or proposed during the current financial quarter under review.

## A8 Segmental information

Segmental information is provided based on geographical segment by customers' location, as follows:-

<b>Results for the 6 months period ended 30 June 2008</b>	Malaysia RM' 000	APAC* RM' 000	MENA** RM' 000	Others*** RM' 000	Group RM' 000
<b>Revenue</b>					
Software and Applications	3,229	6,754	46	-	10,029
Broadband Services and Solutions	284	-	-	-	284
Communication/Voice Services	33,506	-	-	-	33,506
Engineering Services and Solutions	-	-	-	970	970
	<u>37,019</u>	<u>6,754</u>	<u>46</u>	<u>970</u>	<u>44,789</u>

**Results**

Software and Applications	(662)	432	(5,216)	-	(5,446)
Broadband Services and Solutions	(6,669)	-	-	-	(6,669)
Communication/Voice Services	1,600	-	-	-	1,600
Engineering Services and Solutions	-	-	-	485	485
	(5,731)	432	(5,216)	485	(10,030)
Finance costs					(1,002)
Negative goodwill					1,809
Interest Income					2,487
					(6,736)
Share of loss in associates					(1,716)
Profit before taxation					(8,452)
Income tax					(1,481)
Profit after taxation					(9,933)

*Segmental results are determined after allocation of operating expenses to each geographical segment.*

**Other information**

Segmental assets	-
Unallocated corporate assets	569,730
Segmental liabilities	-
Unallocated corporate liabilities	(147,686)
Capital expenditure	(80,818)
Depreciation	(2,389)
Amortisation	(1,435)

\* Asia-Pacific region excludes Malaysia

\*\* Middle East and North Africa region

\*\*\* Others include Europe and America region.

**Results for the 6 months period ended 30 June 2007**

	Malaysia RM' 000	APAC* RM' 000	MENA** RM' 000	Others*** RM' 000	Group RM' 000
<b>Revenue</b>					
Software and Applications	1,533	35,320	239	12	37,104
Broadband Services and Solutions	-	-	-	-	-
Communication/Voice Services	28,810	-	-	-	28,810
Engineering Services and Solutions	-	-	-	1,050	1,050
	30,343	35,320	239	1,062	66,964

**Results**

Software and Applications	1,082	20,088	(2,431)	4	18,743
Broadband Services and Solutions	(2,185)	-	-	-	(2,185)
Communication/Voice Services	1,866	-	-	-	1,866
Engineering Services and Solutions	-	-	-	745	745
	763	20,088	(2,431)	749	19,169
Finance costs					(106)
Interest income					4,119
					23,182
Share of profit in associate					590
Profit before taxation					23,772
Income tax					(1,433)
Profit after taxation					22,339

*Segmental results are determined after allocation of operating expenses to each geographical segment.*

Other information

Segmental assets	-
Unallocated corporate assets	460,934
Segmental liabilities	-
Unallocated corporate liabilities	(26,623)
Capital expenditure	(13,585)
Depreciation	(2,048)
Amortisation	(1,423)
	<u><u>                    </u></u>

\* Asia Pacific region exclude Malaysia

\*\* Middle East and North Africa region

\*\*\* Others include Europe and America region.

**A9 Valuation of plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment loss.

**A10 Material events subsequent to the end of the quarter**

Save for the following and as disclosed in Note B8, there were no material events subsequent to the current financial period ended 30 June 2008:

- i) Green Packet Berhad ("GPB") had, on 27 June 2008, entered into a Share Sale Agreement with Mr. Sung Jong Hwa, Mr. Soh Chee Yong and Mr. Chong Tze Voon (collectively referred to as the "Purchasers") to dispose of its entire 75% equity interest in J&C Pacific Sdn Bhd ("J&C") to the Purchasers for a cash consideration of RM9,700,000 ("Proposed Disposal of J&C"). The Proposed Disposal of J&C was completed on 15 July 2008.
- ii) GPB had, on 15 July 2008, entered into a Share Sale Agreement to dispose of its entire stake in its wholly-owned subsidiary, Millercom Sdn Bhd ("MSB"), comprising 250,000 ordinary shares of RM1.00 each in MSB, to its 55% subsidiary, Packet One Networks (Malaysia) Sdn Bhd ("PON") for a total cash consideration RM2.35 million ("Sale Consideration") ("Reorganisation"). The Reorganisation was completed on the same date. Thereafter, MSB ceased to be a direct subsidiary of GPB and instead became its indirect subsidiary via PON.

**A11 Changes in the composition of the Group**

Save for the following, there were no changes in the composition of the Group during the current quarter and financial year-to-date.

- i) GPB had, on 30 April 2008, disposed of its 100% equity interest in P1.Com Sdn Bhd ("P1.Com") to its 55% subsidiary, Packet One Networks (Malaysia) Sdn. Bhd. ("PON") for a total cash consideration of RM2 only. Upon completion of the disposal of P1.Com to PON, the Group owned a 55% effective equity interest in P1.Com.
- ii) GPB, had on 5 May 2008, completed the acquisition of 100% equity interest of Worldline Enterprise Sdn Bhd ("WESB") for a total purchase consideration of RM39,000,000.00.

The effect of the acquisition on the financial results of the Group from the date of acquisition to 30 June 2008 is as follows:

	RM'000
Revenue	-
Operating costs	(457)
Decrease in Group's net profit	<u><u>                    </u></u> (457)

The fair value and the carrying amount of the acquired net assets are summarised below:

	Fair value RM'000	Acquiree's carrying value RM'000
Net assets acquired:		
Building and leasehold land	41,000	32,256
Other receivables	59	59
Cash and bank balances	#	#
Total net assets acquired	41,059	
Negative goodwill on acquisition	(1,809)	
Total cost of acquisition	<u>39,250</u>	

Net cash outflow on acquisition is as follows:

	6 months period ended 30 June 2008 RM'000
Purchase consideration satisfied by cash	39,000
Costs attributable to the acquisition, paid in cash	250
Total cost of acquisition	<u>39,250</u>
Cash and cash equivalents of subsidiaries acquired	#
Net cash outflow of the Group	<u>39,250</u>

# - RM 10.00

- iii) GPB had, on 16 June 2008, issued an Option Notice to Mr. Sung Jong Hwa, Mr. Soh Chee Yong and Mr. Chong Tze Voon to exercise the call option to acquire the remaining 25% equity interest in Next Telecommunications Sdn Bhd ("NTSB"), Millercom Sdn Bhd ("MSB") and Next Global Technology Sdn Bhd ("NGT") ("Call Option"). The Call Option expired on the same date. Thereafter, NTSB, MSB and NGT became 100% owned subsidiaries of GPB.

#### A12 Contingent assets and changes in contingent liabilities

The Group does not have any contingent assets at the date of this announcement and there were no changes in contingent liabilities since the last annual balance sheet date.

#### A13 Capital commitments

The capital expenditure not provided for in the financial statements as at 30 June 2008 are as follows:

	RM'000
Authorised and contracted for:	
- Plant and equipment	160,678
- Inventory	4,267
	<u>164,945</u>

#### A14 Significant related party transactions

Save as disclosed below, the Directors of GPB are of the opinion that there are no other related party transactions which would have material impact on the financial position and the business of the Group during the current financial year-to-date.

The significant transactions with related parties by the Group are as follows:

Name of company	Type of transactions	6 months period ended 30 June 2008 RM'000
Green Packet Inc.	Billings for engineering services rendered	970
Inova Venture Pte. Ltd.	Purchase for resale	16
		<u>986</u>

## **B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad**

### **B1 Review of the performance of the Group**

The Group recorded a revenue and loss after tax of approximately RM22.45 million and RM6.58 million respectively for the current financial quarter ended 30 June 2008 ("2Q08"). This represents a decrease of 36.9% compared to the revenue of RM35.55 recorded for the previous year corresponding financial quarter ended 30 June 2007 ("2Q07"). Consequently, the profit after tax declined to a loss after tax of RM6.58 million in 2Q08 from a profit after tax of RM12.59 million achieved in 2Q07.

Turnover contribution comprises the following:-

	2Q08	2Q07	% Change
	RM million	RM million	
Software application and engineering services	3.53	21.24	-83.4%
Communication/Voice Services	18.70	14.32	30.6%
Broadband Services and Solutions	0.22	-	>100%
	<u>22.45</u>	<u>35.56</u>	<u>-36.9%</u>

The 2Q08 loss was mainly attributed to the slower demand from the telecommunication companies in China, heavy promotional activities for the broadband business and share of losses incurred by the associated companies.

### **B2 Material changes in the quarterly results compared to the results of the preceding quarter**

The 2Q08 financial performance was affected by the heavy advertising and promotional activities and awareness campaigns incurred by the broadband business in preparation of its launch in August 2008. Accordingly, the losses were higher than that of the immediate preceding financial quarter ended 31 March 2008 ("1Q08") as tabulated below:-

	2Q08	1Q08	% Change
	RM'000	RM'000	
Revenue	22,445	22,344	0.5%
Loss before tax	(5,607)	(2,845)	97.1%
Loss after tax	<u>(6,579)</u>	<u>(3,354)</u>	<u>96.2%</u>

### **B3 Business prospects**

The Group has consolidated its business pillars with focus on the networking solution business and the converged broadband services on a regional basis. The financial year ending 31 December 2008 will be an investment year with the Group officially launching its WiMAX mobile broadband on 19 August 2008, as the first in Malaysia and South East Asia to commercially deploy WiMAX services. On-going actions in repositioning the Group's investment in associated companies are also actively pursued. Accordingly, the Board expects the performance of the Group to be very challenging under the current economic outlook for the financial year ending 31 December 2008.

### **B4 Variance of actual profit from forecast profit**

Not applicable as no forecast was published.

### **B5 Income tax expense**

	6 months period ended 30/6/2008 RM'000
Current tax expense - Malaysian	1,381
Under provision in previous year - Malaysian	100
	<u>1,481</u>

The current tax paid/payable is in respect of interest income on bank deposit and non-tax exempted business income generated by Nextel companies. The Company and its Shanghai subsidiary enjoy tax exempt status in their respective countries. The Company has been granted Multimedia Super Corridor status, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investment Act, 1986. The exemption is for five years, from 10 June 2003 to 9 June 2008. The Company's Shanghai subsidiary will not be subjected to tax on its profits for the first two years commencing from the year it is first profitable and thereafter at half the applicable tax rate for the following three years.

## B6 Purchase or disposal of properties and unquoted investments

There were no purchase or disposal of unquoted investments and properties during the current financial period under review, except for the completion of the acquisition of Worldline Enterprise Sdn Bhd ("WESB") on 5 May 2008. WESB is the legal and beneficial owner of a piece of land held under HS(D) 171402, PT No. 159, Seksyen 8, Bandar Petaling Jaya, Daerah Petaling Jaya, Negeri Selangor together with a 12 1/2 storey purpose built office building with 2 levels of basement car park with approximately 126,676 sq. ft. gross floor area and 100,000 sq. ft. lettable area constructed thereon.

## B7 Purchase or disposal of quoted securities

- (a) There were no purchases or disposals of quoted securities during the financial period under review; and
- (b) There were no investments in quoted securities as at the end of the financial period under review.

## B8 Status of corporate proposals and utilisation of proceeds

- (a) Status of Corporate Proposals announced but not completed
  - (i) On 3 September 2007, GPB had entered into an Option Agreement for the purchase of 1 fully-paid non-assessable share of common stock in IWICS Inc. ("IWICS") for each share of Series D Preferred Stock purchased for a purchase price of 22.4 US cents for each share. IWICS is a company incorporated in the United States of America, which is involved in the development, licensing and promulgation of its patented Opportunity Driven Multiple Access technology which is utilised in part for the development of GPB's SONmetro solution for the rollout of internet broadband services.
  - (ii) GPB had, on 19 May 2008, entered into a conditional subscription agreement with Intel Capital Corporation, as subscriber ("Intel Capital" or "Subscriber") and Packet One Networks (Malaysia) Sdn Bhd ("PON"), as guarantor for the proposed issuance of RM50,000,000 nominal value four (4)-years 4.5% guaranteed redeemable convertible exchangeable bonds to Intel Capital ("Proposed GCEB Issue"). On 31 July 2008, the Securities Commission ("SC") had approved the Proposed GCEB Issue subject to the conditions as announced to Bursa Malaysia Securities Berhad on 4 August 2008. In addition thereto, the SC, on behalf of the Foreign Investment Committee, had also approved the Proposed GCEB Issue under the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests.
- (b) Status of Utilisation of Proceeds

The Company had, on 1 December 2006 completed another private placement of 40,397,500 ordinary shares of RM0.10 each, representing ten percent (10%) of the issued and paid-up share capital of the Company ("Second Placement Shares") and the Second Placement Shares have been listed on the MESDAQ Market of Bursa Malaysia Securities Berhad on even date.

The details of the utilisation of the proceeds from the Second Private Placement up to 30 June 2008 are as follows:

Description	Proposed Utilisation	Actual Utilisation	Balance Unutilised	Intended timeframe for utilisation
	RM'000	RM'000	RM'000	%
Future investment	176,289	(119,830)	56,459	32.03
Private placement expenses	5,500	(5,500)	-	-
<b>Total</b>	<b>181,789</b>	<b>(125,330)</b>	<b>56,459</b>	<b>#2</b>

Note:-

#2 The proceeds from the Second Private Placement are expected to be utilised within 24 months from the date of the completion of the Second Private Placement on 1 December 2006.

**B9 Group borrowings and debt securities**

As at 30 June 2008, total borrowings of the Group are as follows:

	RM '000
<u>Total borrowings:</u>	
Unsecured:	
- Syndicated Murabaha facilities, which are denominated in United States Dollar.	114,450
Secured:	
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	4,507
	<u>118,957</u>
Long term borrowings:	
-Hire purchase and finance lease liabilities, repayment more than 1 year	2,901
-Syndicated Murabaha facilities	114,450
	<u>117,351</u>
Short term borrowings:	
-Hire purchase and finance lease liabilities, repayment less than 1 year	1,606
	<u>118,957</u>

**B10 Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at the date of this announcement.

**B11 Material litigations**

There were no material litigations or pending material litigations involving the Group as at the date of this announcement.

**B12 Dividends**

No dividend has been declared or recommended in respect of the current financial quarter under review.

**B13 Earnings per share**a) **Basic EPS**

Basic EPS is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	3 months period ended		6 months period ended	
	30/6/2008	30/6/2007	30/6/2008	30/6/2007
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(4,889)	13,263	(7,622)	23,276
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000) *	324,866	330,633	324,866	330,633
Basic (loss)/earnings per share (sen) *	(1.5)	4.0	(2.3)	7.0

b) **Diluted EPS**

For the purpose of calculating diluted EPS, the weighted average number of ordinary shares in issue during the period have been adjusted to assume the conversion of dilutive potential ordinary shares.

	3 months period ended		6 months period ended	
	30/6/2008	30/6/2007	30/6/2008	30/6/2007
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(4,889)	13,263	(7,622)	23,276
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000) *	324,866	330,633	324,866	330,633
Effect of dilution:				
- Adjustment for assumed exercise of share options granted on 7 August 2006 *	-	3,788	-	3,788
- Adjustment for assumed exercise of share options granted on 28 March 2008	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	324,866	334,421	324,866	334,421
Diluted (loss)/earnings per share (sen) *	(1.5)	4.0	(2.3)	7.0

\* The comparative figures have been restated to take into account the effects of the bonus issue and share consolidation of every two (2) ordinary shares of RM0.10 each into one (1) ordinary share of RM0.20 each.

BY ORDER OF THE BOARD

Mah Li Chen (MAICSA 7022751)  
Lee Wai Kim (MAICSA 7036446)  
Company Secretaries