

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013.

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		3 Months Cumulative Totdate	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM '000	RM '000	RM '000	RM '000
Revenue	149,341	128,165	149,341	128,165
Operating expenses	(172,841)	(153,830)	(172,841)	(153,830)
Other income	62	108	62	108
Loss from operations	(23,438)	(25,557)	(23,438)	(25,557)
Finance costs	(13,106)	(3,973)	(13,106)	(3,973)
Loss before tax	(36,544)	(29,530)	(36,544)	(29,530)
Income tax expense	(162)	(205)	(162)	(205)
Loss for the period	(36,706)	(29,735)	(36,706)	(29,735)
Foreign currency translation differences for foreign operations	6	(244)	6	(244)
Total other comprehensive expense for the period	6	(244)	6	(244)
Total comprehensive loss for the period	(36,700)	(29,979)	(36,700)	(29,979)
Loss attributable to:				
Owners of the Company	(19,805)	(14,717)	(19,805)	(14,717)
Non-controlling interests	(16,901)	(15,018)	(16,901)	(15,018)
Loss for the Period	(36,706)	(29,735)	(36,706)	(29,735)
Total comprehensive loss attributable to:				
Owners of the Company	(19,799)	(14,961)	(19,799)	(14,961)
Non-controlling interests	(16,901)	(15,018)	(16,901)	(15,018)
Total comprehensive loss for the period	(36,700)	(29,979)	(36,700)	(29,979)
Basic loss per ordinary share (sen):	(2.9)	(2.2)	(2.9)	(2.2)
Diluted loss per ordinary share (sen):	N/A	N/A	N/A	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

	As at 31/03/2013 (Unaudited) RM '000	As at 31/12/2012 (Audited) RM '000
ASSETS		
Property, plant and equipment	659,356	705,323
Other long term investments	135	135
Goodwill on acquisition	13,004	13,004
Development costs	25,626	24,916
Intangible/Customer Modem assets	47,291	50,518
Total non-current assets	745,412	793,896
Inventories	45,178	46,049
Asset held for sale	31,953	-
Trade receivables	87,377	82,019
Other receivables, deposits and prepayments	80,299	64,717
Deposits with licensed banks	4,447	4,434
Cash and bank balances	46,250	51,769
Total current assets	295,504	248,988
TOTAL ASSETS	1,040,916	1,042,884
EQUITY		
Share capital	138,081	138,081
Reserves	(17,255)	1,715
Total equity attributable to owners of the Non-controlling interests	120,826 57,913	139,796 74,814
Total equity	178,739	214,610
LIABILITIES		
Irredeemable Convertible Preference Shares -Class C & B ("Class C & B ICPS") - Liabilities components	174,345	169,309
Bank Borrowings	219,395	202,086
Hire purchase and finance lease liabilities	649	452
Other payables and accruals	101,663	52,506
Deferred tax liabilities	2,537	2,396
Total non-current liabilities	498,589	426,749
Trade payables	71,410	58,338
Other payables and accruals	251,866	284,964
Bank borrowings	38,295	57,842
Hire purchase and finance lease liabilities	2,017	381
Total current liabilities	363,588	401,525
TOTAL LIABILITIES	862,177	828,274
TOTAL EQUITY AND LIABILITIES	1,040,916	1,042,884
Net asset per share attributable to ordinary equity holders of the parent (sen)	18	20

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

(The figures have not been audited)

	<-----Attributable to owners of the Company ----->								
	Shares capital	Non-Distributable				Accumulated Losses	Sub-total	Non-controlling interests	Total Equity
		Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves				
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
At 1 January 2013	138,081	355,067	(1,161)	(11,389)	75,180	(415,982)	139,796	74,814	214,610
Foreign currency translation differences for foreign operations	-	-	6	-	-	-	6	-	6
Total other comprehensive income for the period	-	-	6	-	-	-	6	-	6
Loss for the period	-	-	-	-	-	(19,805)	(19,805)	(16,901)	(36,706)
Total comprehensive loss for the period	-	-	6	-	-	(19,805)	(19,799)	(16,901)	(36,700)
Share-based payment transaction under ESOS	-	-	-	-	829	-	829	-	829
Total contribution from / distribution to owners	-	-	-	-	829	-	829	-	829
At 31 March 2013	138,081	355,067	(1,155)	(11,389)	76,009	(435,787)	120,826	57,913	178,739

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

(The figures have not been audited)

	<-----Attributable to Equity Holders of the Parent ----->						Sub-total	Non-controlling interests	Total Equity
	Non-Distributable								
Shares capital	Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Accumulated Losses				
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2012 (As restated)	131,551	345,372	378	(11,389)	75,792	(353,868)	187,836	63,221	251,057
Foreign currency translation differences for foreign operations	-	-	(585)	-	-	-	(585)	-	(585)
Total other comprehensive income for the period	-	-	(585)	-	-	-	(585)	-	(585)
Loss for the period	-	-	-	-	-	(14,717)	(14,717)	(15,018)	(29,735)
Total comprehensive loss for the period	-	-	(585)	-	-	(14,717)	(15,302)	(15,018)	(30,320)
Share-based payment transaction under ESOS	-	-	-	-	828	-	828	-	828
Total contribution from / distribution to owners	-	-	-	-	828	-	828	-	828
At 31 March 2012	131,551	345,372	(207)	(11,389)	76,620	(368,585)	173,362	48,203	221,565

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	Financial period ended	
	31/03/2013	31/03/2012
	RM'000	RM'000
	(Unaudited)	(Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(36,544)	(29,530)
Adjustments for non cash items:-		
Amortisation of development cost	1,043	1,083
Amortisation of intellectual property	570	650
Amortisation of modem	6,727	9,309
Amortisation of prepaid land lease payments	205	205
Depreciation of plant and equipment	22,286	18,243
Share based payment under ESOS	829	828
Other non-cash items	13,059	3,506
Operating loss before working capital changes	8,175	4,294
Changes in working capital		
Decrease/(Increase) in assets	(20,069)	3,234
(Decrease)/Increase in liabilities	34,167	20,985
Cash for operating activities	22,273	28,513
Interest paid	(13,106)	(3,973)
Tax paid	(21)	288
Net cash for operating activities	9,146	24,828
CASH FLOW FOR INVESTING ACTIVITIES		
Development expenditure incurred	(1,753)	(1,602)
Interest received	47	57
Purchase of plant and equipment	(12,547)	(19,569)
Net cash for investing activities	(14,253)	(21,114)
CASH FLOW FOR FINANCING ACTIVITIES		
Net drawdown/(repayment) of bank borrowings	(2,238)	(20,129)
Repayment to hire purchase/lease obligations	1,833	(527)
Net cash for financing activities	(405)	(20,656)
Net decrease in cash and cash equivalents	(5,512)	(16,942)
Foreign exchange translation differences	6	(585)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	56,203	85,276
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	50,697	67,749
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	46,250	66,550
Fixed deposit with licensed bank	4,447	1,199
	50,697	67,749

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting

A1 Basis of preparation

The Interim financial report has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of Chapter 9 Part K of the Main Listing Requirement of Bursa Malaysia Securities Berhad ("BMSB"). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2011.

A2 Changes in accounting policies

The significant accounting policies and methods of computations adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2011 except for the new standards, amendments to published standards and interpretations that are mandatory for the Group's financial year beginning on or after 1 March 2012 as set out below:

- a) The revised MFRS 124 "Related party disclosures" (effective from 1 January 2012)
- b) IC Interpretation 19 "Extinguishing financial liabilities with equity instruments" (effective from 1 July 2011)
- c) Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets" (effective from 1 January 2012)

The adoption of these new MFRSs, amendments and IC Interpretations do not have a material impact on the interim financial information of the Group.

A3 Auditors' report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

A4 Seasonal or cyclical of operations

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

A5 Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6 Material changes in estimates

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

A7 Changes in debts or equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the period ended 31 March 2013.

The movement of the options for the period under review is as follows :

	Number of options over ordinary shares of RM0.20 each at exercise price of					
	RM 4.22 (000)	RM 1.97 (000)	RM 0.80 (000)	RM 1.10 (000)	RM 0.60 (000)	RM 0.56 each (000)
Balance as at 1 Jan 2013	6,138	5,265	5,405	6,993	7,393	8,428
Granted during the year	-	-	-	-	-	-
Cancellation during the year	(82)	(166)	(125)	(397)	(458)	(520)
Exercise during the year	-	-	-	-	-	-
Outstanding as at 31 March 2013	6,056	5,099	5,280	6,596	6,935	7,908

A8 Dividends Payment

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

A9 Segmental information

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

Results for the financial year period 31 March 2013	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	-	20,989	20,989
Broadband Services	81,214	-	81,214
Communication Services	335	46,803	47,138
	<u>81,549</u>	<u>67,792</u>	<u>149,341</u>

Results

Software and Devices	-	(3,474)	(3,474)
Broadband Services	(20,629)	-	(20,629)
Communication Services	-	618	618
	<u>(20,629)</u>	<u>(2,856)</u>	<u>(23,485)</u>
Finance costs			(13,106)
Finance income			47
			<u>(36,544)</u>
Income tax expense			(162)
Loss after taxation			<u>(36,706)</u>
Non-controlling interests			16,901
Loss after taxation & Non-controlling interests			<u>(19,805)</u>

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

Other information

Segmental assets			-
Total assets			1,040,916
Segmental liabilities			-
Total liabilities			(862,177)
Capital expenditure			(12,547)
Depreciation			(22,286)
Amortisation			<u>(8,545)</u>

Results for the financial period ended 31 March 2012

	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	-	22,264	22,264
Broadband Services	85,430	-	85,430
Communication Services	-	20,471	20,471
	<u>85,430</u>	<u>42,735</u>	<u>128,165</u>

Results

Software and Devices	(20,180)	17,833	(2,347)
Broadband Services	(23,605)	-	(23,605)
Communication Services	-	338	338
	<u>(43,785)</u>	<u>18,171</u>	<u>(25,614)</u>
Finance costs			(3,973)
Finance income			57
			<u>(29,530)</u>
Income tax expense			(205)
Loss after taxation			<u>(29,735)</u>
Non-controlling interests			15,018
Loss after taxation & minority interests			<u>(14,717)</u>

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

Other information

Segmental assets			-
Total assets			956,210
Segmental liabilities			-
Total liabilities			(817,095)
Capital expenditure			(19,569)
Depreciation			(18,243)
Amortisation			<u>(11,247)</u>

A10 Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the quarter, except for the following development:-

On 13 May 2013, the Company announced the granting of an additional 8.0 million new share options under the Employees' Share Option Scheme ("ESOS") at an option price of RM0.30 per new ordinary share to eligible employees of the Company and subsidiaries, including eligible directors of the Company. The expiry date for the said ESOS is on 8 August 2016.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31 March 2013.

A13 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.

A14 Capital commitments

The capital expenditure not provided for in the financial statements as at 31 March 2013 are as follows:

	RM'000
Authorised and contracted for:	
- Plant and equipment	124,995
- Inventory	753
	<u>125,748</u>

A15 Significant related party transactions

The Directors of GPB are of the opinion that there are no related party transactions which would have material impact on the financial position and the business of the Group during the current financial year under review.

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities**B1 Review of the performance of the Group**

Revenue contribution comprises the following:-

	3 months period ended		% Change
	31/03/2013	31/03/2012	
	RM million	RM million	
Software and Devices	20.99	22.26	-5.7%
Broadband Services	81.21	85.43	-4.9%
Communication Services	47.14	20.47	130.3%
	<u>149.34</u>	<u>128.16</u>	<u>16.5%</u>

The Software and Devices business registered lower revenue in 1Q13 compared with 1Q12 due to lower software sales. The Broadband Services business recorded lower 1Q13 revenue against 1Q12 mainly due to the decline in project based revenue arising from a more competitive market environment even with a stronger subscriber base of some 541,000 subscribers against 446,000 subscribers in 1Q12. The Communication Services business continues to demonstrate significant growth with the securing of new routes and new customer accounts.

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

The revenue for 1Q13 was higher than the preceeding quarter mainly due to better performance from both the Software and Devices and Communication Services business.

	1Q13	4Q12	% Change
	RM million	RM million	
Revenue	149.34	139.72	6.9%
Loss before tax	(36.54)	(27.92)	-30.9%
Loss after tax	<u>(36.71)</u>	<u>(27.66)</u>	<u>-32.7%</u>

B3 Business prospects

The Group's performance is expected to improve in tandem with the following market developments and initiatives undertaken by the management to realign its operating units for sustainable results:-

- Despite the increasingly competitive market landscape, the Broadband Services business continues to increase its subscriber base with new marketing and promotional activities.
- With the active conversion on a global basis of networks to the LTE-enabled network systems, the Software and Devices business is projected to be challenging as the Company continues the transition to sell its LTE based solutions.
- As new international routes are secured, the Communication Services business is expected to aggressively grow its market share.

Accordingly, the Board is cautiously optimistic on the Group's business prospects for the financial year ending 31 December 2013.

B4 Variance of actual profit from forecast profit

Not applicable as no forecast was published.

B5 Income tax expense

	Financial period ended 31 March 2013 RM'000
Current tax expense - Malaysian	<u>162</u>

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 exemption has been renewed for another five years period from 10 June 2008.

B6 Status of corporate proposals and utilisation of proceeds

The status of Corporate Proposals announced but not completed:

On 3 September 2007, the Company 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 and licensing of its patented Opportunity Driven Multiple Access technology which is utilised in part for the development of the Company's SONmetro solution for the rollout of internet broadband services.

B7 Group borrowings and debt securities

As at 31 March 2013, total borrowings of the Group are as follows:

	RM '000
<u>Total borrowings:</u>	
Unsecured:	
- Structured Commodity Financing-i Term Facility ("i Term Facility")	6,177
- Syndicated Murabaha Facility ("Murabaha Facility")	15,443
- Revolving Credits	4,500
- Amanah Trade Bills	4,733
- Murabahah Project Facility ("Project Facility")	16,618
- Irredeemable Convertible Preference Shares ("ICPS") - liability component	174,345
Secured:	
- Amanah Term Financing, which is denominated in Ringgit Malaysia.	6,500
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	2,666
- Murabahah Project Facility ("Project Facility")	47,659
- Syndicated Facility	156,060
	212,885
	<u>434,701</u>

	RM '000
Non-current portion:	
- Hire purchase and finance lease liabilities, repayment more than 1 year	
- later than one year not later than five years	649
- Borrowings:	
- repayable between one and two years	17,786
- repayable between two and five years	201,609
- repayable after five years	174,345
	<u>394,389</u>
	RM '000
Current portion:	
- Hire purchase and finance lease liabilities, repayment less than 1 year	2,017
- Borrowings, repayable within one year	38,295
	<u>40,312</u>
	<u><u>434,701</u></u>

B8 Material litigations

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

B9 Dividends

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

B10 Realized and unrealized losses disclosure

The Group's realized and unrealized accumulated losses disclosure are as follows:

	As at 31.03.2013 RM'000	As at 31.12.2012 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised accumulated losses	(721,700)	(617,175)
- Unrealised retained profits	2,546	(1,895)
Consolidation adjustments	283,367	203,088
Total Group accumulated losses	<u>(435,787)</u>	<u>(415,982)</u>

B11 Earnings per share

a) Basic EPS

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

	3 months period ended	
	31/03/2013	31/03/2012
Loss attributable to ordinary equity holders of the Company (RM'000)	(19,805)	(14,717)
Weighted average numbers of ordinary shares in issue ('000)	690,406	657,753
Basic loss per share (sen)	<u>(2.9)</u>	<u>(2.2)</u>

b) Diluted EPS

The diluted loss per share for the current and previous financial period was not presented as there is an anti-dilutive effect arising from the assumed conversion of employees' share option scheme.

B12 Loss for the Period

	3 months period ended	
	31/03/2013	31/03/2012
	RM'000	RM'000
Loss for the period/year is arrived at after charging:		
Amortisation of :		
- development cost	1,043	1,083
- intellectual property	570	650
- modem	6,727	9,309
- prepaid land lease payments	205	205
Depreciation of plant and equipment	22,286	18,243
Interest paid	13,106	3,973
Share based payment under ESOS	829	828
and after crediting :		
Other non-cash items	(48)	(467)
Foreign exchange gain	(1,551)	-

B13 Authorisation for issue

The interim financial statements were authorised on 21 May 2013 for issue by the Board of Directors.