

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013.

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		9 Months Cumulative Totdate	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM '000	RM '000	RM '000	RM '000
Revenue	141,658	159,829	441,916	426,282
Operating expenses				
-Depreciation, Impairment & Amortisation	(29,522)	(30,691)	(90,996)	(90,711)
-Other operating costs	(129,695)	(150,638)	(413,182)	(409,098)
Other income	31	54	91	341
Loss from operations	(17,528)	(21,446)	(62,171)	(73,186)
Finance costs	(12,744)	(6,662)	(37,867)	(16,900)
<b>Loss before tax</b>	<b>(30,272)</b>	<b>(28,108)</b>	<b>(100,038)</b>	<b>(90,086)</b>
Income tax expense	571	(205)	235	(615)
<b>Loss for the period</b>	<b>(29,701)</b>	<b>(28,313)</b>	<b>(99,803)</b>	<b>(90,702)</b>
Foreign currency translation differences for foreign operations	(432)	1,419	(1)	2,421
<b>Total other comprehensive expense for the period</b>	<b>(432)</b>	<b>1,419</b>	<b>(1)</b>	<b>2,421</b>
<b>Total comprehensive loss for the period</b>	<b>(30,133)</b>	<b>(26,894)</b>	<b>(99,804)</b>	<b>(88,281)</b>
Loss attributable to:				
Owners of the Company	(14,417)	(17,516)	(54,035)	(50,133)
Non-controlling interests	(15,284)	(10,797)	(45,768)	(40,569)
<b>Loss for the Period</b>	<b>(29,701)</b>	<b>(28,313)</b>	<b>(99,803)</b>	<b>(90,702)</b>
Total comprehensive loss attributable to:				
Owners of the Company	(14,849)	(16,097)	(54,036)	(47,712)
Non-controlling interests	(15,284)	(10,797)	(45,768)	(40,569)
<b>Total comprehensive loss for the period</b>	<b>(30,133)</b>	<b>(26,894)</b>	<b>(99,804)</b>	<b>(88,281)</b>
Basic loss per ordinary share (sen):	(2.1)	(2.5)	(7.8)	(7.5)
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.

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013**

	As at 30/09/2013 (Unaudited) RM '000	As at 31/12/2012 (Audited) RM '000
<b>ASSETS</b>		
Property, plant and equipment	631,192	705,323
Other long term investments	135	135
Goodwill on acquisition	13,004	13,004
Development costs	20,521	24,916
Intangible/Customer Modem assets	38,197	50,518
<b>Total non-current assets</b>	<b>703,049</b>	<b>793,896</b>
Inventories	39,561	46,049
Asset held for sale	31,953	-
Trade receivables	89,960	82,019
Other receivables, deposits and prepayments	75,699	64,717
Deposits with licensed banks	4,472	4,434
Cash and bank balances	36,656	51,769
<b>Total current assets</b>	<b>279,011</b>	<b>248,988</b>
<b>TOTAL ASSETS</b>	<b>982,060</b>	<b>1,042,884</b>
<b>EQUITY</b>		
Share capital	138,081	138,081
Reserves	(49,843)	1,715
<b>Total equity attributable to owners of the Company</b>	<b>88,238</b>	<b>139,796</b>
<b>Non-controlling interests</b>	<b>29,047</b>	<b>74,814</b>
<b>Total equity</b>	<b>117,285</b>	<b>214,610</b>
<b>LIABILITIES</b>		
Irredeemable Convertible Preference Shares -Class C & B ("Class C & B ICPS") - Liabilities components	179,685	169,309
Bank Borrowings	189,817	202,086
Hire purchase and finance lease liabilities	510	452
Other payables and accruals	18,663	52,506
Deferred tax liabilities	2,632	2,396
<b>Total non-current liabilities</b>	<b>391,307</b>	<b>426,749</b>
Trade payables	76,295	58,338
Other payables and accruals	349,715	284,964
Bank borrowings	44,885	57,842
Hire purchase and finance lease liabilities	2,573	381
<b>Total current liabilities</b>	<b>473,468</b>	<b>401,525</b>
<b>TOTAL LIABILITIES</b>	<b>864,775</b>	<b>828,274</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>982,060</b>	<b>1,042,884</b>
<b>Net asset per share attributable to ordinary equity holders of the parent (sen)</b>	<b>13</b>	<b>20</b>

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 30 SEPTEMBER 2013**

(The figures have not been audited)

	Attributable to owners of the Company							Total Equity	
	Shares capital	Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Accumulated Losses	Sub-total		Non-controlling interests
	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	-	-	(1)	-	-	-	(1)	-	(1)
Total other comprehensive income for the period	-	-	(1)	-	-	-	(1)	-	(1)
Loss for the period	-	-	-	-	-	(54,035)	(54,035)	(45,768)	(99,803)
<b>Total comprehensive loss for the period</b>	-	-	(1)	-	-	(54,035)	(54,036)	(45,768)	(99,804)
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Issuance of Irredeemable Convertible Preference Shares ("ICPS") - Class C & Class B	-	-	-	-	-	-	-	-	-
Expenses incurred on issuance of - ordinary shares	-	-	-	-	-	-	-	-	-
Share-based payment transaction under ESOS	-	-	-	-	2,479	-	2,479	-	2,479
<b>Total contribution from / distribution to owners</b>	-	-	-	-	2,479	-	2,479	-	2,479
At 30 Sept 2013	138,081	355,067	(1,162)	(11,389)	77,659	(470,017)	88,239	29,046	117,285

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 CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

(The figures have not been audited)

	Attributable to Equity Holders of the Parent							Sub-total	Non-controlling interests	Total Equity
	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	(368,828)	172,876	(4,269)	168,607	
Foreign currency translation differences for foreign operations	-	-	2,421	-	-	-	2,421	-	2,421	
Total other comprehensive income for the period	-	-	2,421	-	-	-	2,421	-	2,421	
Loss for the period	-	-	-	-	-	(50,133)	(50,133)	(40,569)	(90,702)	
<b>Total comprehensive loss for the period</b>	-	-	2,421	-	-	(50,133)	(47,712)	(40,569)	(88,281)	
Issuance of ordinary shares	6,530	9,796	-	-	-	-	16,326	-	16,326	
Expenses incurred on issuance of ordinary shares	-	(101)	-	-	-	-	(101)	-	(101)	
Share-based payment transaction under ESOS	-	-	-	-	2,478	-	2,478	-	2,478	
<b>Total contribution from / distribution to owners</b>	6,530	9,695	-	-	2,478	-	18,703	-	18,703	
At 30 Sept 2012	138,081	355,067	2,799	(11,389)	78,270	(418,961)	143,867	(44,838)	99,029	

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 30 SEPTEMBER 2013

	Financial period ended	
	30/09/2013	30/09/2012
	(Unaudited) RM'000 (Unaudited)	(Unaudited) RM'000 (Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(100,038)	(90,086)
Adjustments for non cash items:-		
Amortisation of development cost	3,108	3,204
Amortisation of intellectual property	1,710	1,790
Amortisation of modem	19,411	20,742
Amortisation of prepaid land lease payments	205	614
Depreciation of plant and equipment	67,041	57,757
Share based payment under ESOS	2,479	2,478
Other non-cash items	37,731	15,457
Operating profit/(loss) before working capital changes	31,647	11,956
Changes in working capital		
Decrease/(Increase) in assets	(13,145)	(33,686)
(Decrease)/Increase in liabilities	48,865	30,313
Cash for operating activities	67,367	8,583
Finance Costs	(37,867)	(16,900)
Tax paid	471	743
<b>Net cash from operating activities</b>	<b>29,971</b>	<b>(7,574)</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Development expenditure incurred	1,287	(2,179)
Interest received	136	215
Purchase of plant and equipment	(33,868)	(135,980)
<b>Net cash for investing activities</b>	<b>(32,445)</b>	<b>(137,944)</b>
<b>CASH FLOW FOR FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	-	16,326
Share issue expenses	-	(101)
Net drawdown/(repayment) of bank borrowings	(14,850)	117,619
Repayment to hire purchase/lease obligations	2,250	(840)
<b>Net cash for financing activities</b>	<b>(12,600)</b>	<b>133,004</b>
Net decrease in cash and cash equivalents	(15,074)	(12,514)
Foreign exchange translation differences	(1)	2,421
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	56,203	85,276
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	41,128	75,183
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	36,656	70,763
Fixed deposit with licensed bank	4,472	4,420
	41,128	75,183

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 30 SEPTEMBER 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 2012.

**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 2012 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 January 2013 as set out below:

- a) Amendment to MFRS 7 "Disclosures- Offsetting Financial Assets and Financial Liabilities" (effective from 1 January 2013)
- b) Amendment to MFRS 10, MFRS 11 and MFRS 12 "Transition Guidance" (effective from 1 January 2013)
- c) Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income" (effective from 1 July 2012)
- d) Annual Improvements to MFRSs 2009-2011 Cycle (effective from 1 January 2013)

The adoption of these new MFRSs, amendments and IC Interpretations do not have any significant effects on the interim financial information of the Group upon its initial application. The Group is currently examining the financial impact of adopting MFRS 9.

**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 30 September 2013, except the following:

On 13 May 2013, the Company had granted 8.0 million new share options under the Employees' Share Option Scheme at the option price of RM0.30 per new ordinary share to eligible employees of the Company and its subsidiaries and eligible directors of the Company. The said Scheme is expiring on 8 August 2016.

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 ( '000)	RM 0.30 each ( '000)
Balance as at 1 Jan 2013	6,138	5,265	5,405	6,993	7,393	8,428	-
Granted during the year	-	-	-	-	-	-	8,000
Cancellation during the year	(1,526)	(1,863)	(992)	(1,994)	(2,058)	(2,252)	(344)
Exercise during the year	-	-	-	-	-	-	-
Outstanding as at 30 September 2013	4,612	3,402	4,413	4,999	5,335	6,176	7,656

**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 ended 30 September 2013)**

	Malaysia RM'000	Overseas RM'000	Group RM'000
<b>Revenue</b>			
Software and Devices	-	82,452	82,452
Broadband Services	230,557	-	230,557
Communication Services	870	128,037	128,907
	<u>231,427</u>	<u>210,489</u>	<u>441,916</u>

**Results**

Software and Devices	-	(5,405)	(5,405)
Broadband Services	(59,871)	-	(59,871)
Communication Services	(22)	2,991	2,969
	<u>(59,893)</u>	<u>(2,414)</u>	<u>(62,307)</u>
Finance costs			(37,867)
Finance income			136
			<u>(100,038)</u>
Income tax expense			235
Loss after taxation			(99,803)
Non-controlling interests			45,768
Loss after taxation & Non-controlling interests			<u>(54,035)</u>

**Results for the financial year (period ended 30 September 2012)**

	Malaysia RM'000	Overseas RM'000	Group RM'000
<b>Revenue</b>			
Software and Devices	21,923	62,475	84,398
Broadband Services	255,207	-	255,207
Communication Services	2,030	84,647	86,677
	<u>279,160</u>	<u>147,122</u>	<u>426,282</u>

**Results**

Software and Devices	(16,140)	4,493	(11,647)
Broadband Services	(63,278)	-	(63,278)
Communication Services	(148)	1,672	1,524
	<u>(79,567)</u>	<u>6,165</u>	<u>(73,402)</u>
Finance costs			(16,900)
Finance income			215
			<u>(90,086)</u>
Income tax expense			(615)
Loss after taxation			(90,702)
Non-controlling interests			40,569
Loss after taxation & minority interests			<u>(50,133)</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.

**A12 Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial period ended 30 September 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, except for the following development:-

In July 2010, Green Packet Berhad ("GPB") had agreed with Intel Capital Corporation ("Intel") via a Put Option Agreement to acquire all of the Class B Irredeemable Convertible Preference Shares of RM0.10 each ("Class B ICPS") in the share capital of Packet One Networks (Malaysia) Sdn Bhd ("P1") held by Intel for a total cash consideration of RM60 million based on the terms and conditions mutually agreed by both parties ("Purchase Consideration").

In accordance with the terms and conditions of the RM50 million nominal value 4-year 4.5% Guaranteed Redeemable Convertible Exchangeable Bonds ("GCEB") entered into amongst parties namely GPB, P1 and Intel, Intel completed the exchange of its GCEB into 200,000 of Class B ICPS in P1 and thereafter exercised its right under the Put Option Agreement to put the Class B ICPS to GPB which payment was due on 26 November 2012. Green Packet Berhad has since written to Intel on 3 July 2013 and 5 August 2013 to propose a settlement structure.

Although the parties were still negotiating a settlement, Intel served a Writ of Summons on the Company on 27 September 2013. (Please refer to Note B8 for details of the Suit).

### A14 Capital commitments

The capital expenditure not provided for in the financial statements as at 30 September 2013 are as follows:

	RM000
Authorised and contracted for:	
- Plant and equipment	96,565
- Inventory	1,922
	<u>98,487</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

- a) The Group recorded a revenue, EBITDA and loss after tax of approximately RM141.66million, RM11.99 million and RM29.7 million respectively for the current financial quarter ended 30 September 2013 ("3Q13"). The revenue for 3Q13 compared to the previous year corresponding financial quarter ended 30 September 2012 ("3Q12") registered a 11.4% decrease. This is attributed to a lower quantity of devices shipped against the bumper quarter of 3Q12, where large backlog of orders were shipped. The Broadband Services continues to grow its subscribers with 553,000 subscribers against 506,000 subscribers in 3Q12. The slightly lower 3Q13 revenue against 3Q12 is primarily due to low contribution of upfront fee, bulk project deals and USP revenue. The Communication Services business recorded higher revenue with expanded voice routes and recurring customer accounts.

Consequently, the EBITDA increased to RM 11.99 million from an EBITDA of RM9.25 million registered in 3Q12 attributable to the positive impact of cost optimising activities carried out in the year. The loss after tax increased to RM 29.70 million in 3Q13 from a loss after tax of RM 28.31 million registered in 3Q12 due to higher finance costs.

Revenue contribution comprises the following:-

	3 months period ended		% Change
	9/30/2013	9/30/2012	
	RM million	RM million	
Software and Devices	26.23	40.67	-35.5%
Broadband Services	75.54	82.19	-8.1%
Communication Services	39.88	36.97	7.9%
	<u>141.66</u>	<u>159.83</u>	<u>-11.4%</u>

EBITDA comprises the following:-

	3 months period ended		% Change
	9/30/2013	9/30/2012	
	RM million	RM million	
Software and Devices	1.71	0.16	984.4%
Broadband Services	8.78	8.42	4.2%
Communication Services	1.50	0.67	125.5%
	<u>11.99</u>	<u>9.25</u>	<u>29.7%</u>

Profit/ (Loss) after comprises the following:-

	3 months period ended		% Change
	9/30/2013	9/30/2012	
	RM million	RM million	
Software and Devices	(1.43)	(6.45)	77.8%
Broadband Services	(29.57)	(22.36)	-32.3%
Communication Services	1.30	0.49	163.4%
	<u>(29.70)</u>	<u>(28.31)</u>	<u>-4.9%</u>



- b) The Group recorded a revenue, EBITDA and loss after tax of approximately RM441.92 million, RM28.83 million and RM99.80 million respectively for the current financial period ended 30 September 2013. This represents an increase of 3.7% compared to the revenue of RM426.28 million recorded for the previous year corresponding financial period ended 30 September 2012 ("3Q12"). Consequently, the EBITDA increased to RM28.83 million from an EBITDA of RM17.53 million registered in 3Q12 and the loss after tax increased to RM99.80 million as at 30 September 2013 from a loss after tax of RM90.70 million registered in 30 September 2012.

Revenue contribution comprises the following:-

	9 months period ended		% Change
	9/30/2013	9/30/2012	
	RM million	RM million	
Software and Devices	82.45	84.40	-2.3%
Broadband Services	230.56	255.21	-9.7%
Communication Services	128.91	86.68	48.7%
	441.92	426.28	3.7%

EBITDA comprises the following:-

	9 months period ended		% Change
	9/30/2013	9/30/2012	
	RM million	RM million	
Software and Devices	0.05	(1.86)	102.5%
Broadband Services	25.33	17.38	45.7%
Communication Services	3.45	2.00	72.6%
	28.83	17.53	64.5%

Profit/(Loss) after tax comprises the following:-

	9 months period ended		% Change
	9/30/2013	9/30/2012	
	RM million	RM million	
Software and Devices	(14.40)	(15.54)	7.4%
Broadband Services	(88.35)	(76.66)	-15.3%
Communication Services	2.95	1.50	96.6%
	(99.80)	(90.70)	-10.0%

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

The revenue for 3Q13 was lower than the preceding quarter mainly due to lower revenue from the Software and Devices business which saw a marginal contribution from software sales and lower devices shipment. The Broadband Services business and Communications Services business continue to show stable results. The Group's bottom line continues to improve with narrowing losses from successful cost optimisation.

	3Q13	2Q13	% Change
	RM million	RM million	
Revenue	141.66	150.92	-6.1%
Loss before tax	(30.27)	(33.22)	8.9%
Loss after tax	(29.70)	(33.40)	11.1%

## B3 Business prospects

The Group's performance is expected to remain stable as management continues to realign its operating units for sustainable results in the following manner:-

- Increasing efforts in customer retention and improving network quality to maintain its subscriber base despite the market landscape continuing to remain competitive for the Broadband Services business.
- Exploring opportunities for the Software and Devices business to sell its' LTE based solutions capitalising on the gradual global conversion to the LTE-enabled network systems.
- Growing the market share of the Communication Services business resulting from securing new international routes and expanding customer base.

Accordingly, the Board is confident of the Group's ability to improve on its' EBITDA performance 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

Current tax expense - Malaysian	Financial period ended 30 September 2013 RM'000
	(235)

The Company's Pioneer Status incentive under the Promotion of Investment Act, 1986 has lapsed as of 9 June 2013.

## B6 Status of corporate proposals and utilisation of proceeds

The status of Corporate Proposals announced but not completed:

- a) 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.
- b) On 31 May 2013 and 5 June 2013, Green Packet Berhad ("the Company") has announced that Worldline Enterprise Sdn Bhd, its wholly-owned subsidiary ("Vendor") has entered into a conditional sale and purchase agreement ("SPA") with SYM World Realty Sdn Bhd ("Purchaser"), to dispose its leasehold land together with a twelve and a half (12 ½) storey office building measuring approximately 5,285,081 square metres in area ("collectively referred to as "Property") for a total cash consideration of RM49 million ("Proposed Disposal").

In addition to the Proposed Disposal, Packet One Network (Malaysia) Sdn Bhd, the 55%-owned subsidiary of the Company ("Tenant") had on the same day entered into a tenancy agreement ("Tenancy Agreement") with the Purchaser to rent the said Property from the Purchaser ("Proposed Tenancy") in accordance to the terms and conditions stipulated in the Tenancy Agreement.

On 30 August 2013, via an exchange of letters, the Vendor and Purchaser have agreed to further extend the deadline for the Conditional Period by two (2) months to 30 October 2013. The Purchaser further extended the deadline for the conditional period for an additional one (1) month effective from 31 October 2013 pending fulfilment of the last condition precedent in the SPA.

The disposal consideration is proposed to be utilised as follows:-

### Utilisation of Proposed Disposal :

	RM'000
-Working capital	27,620
-Repayment of bank borrowings *	20,000
-Development expenditure	1,000
-Estimated expenses	380
	<u>49,000</u>

### Note:-

\* Any excess or shortfall will be adjusted from the proceeds allocated to working capital.

## B7 Group borrowings and debt securities

As at 30 September 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")	1,928
- Syndicated Murabaha Facility ("Murabaha Facility")	8,111
- Revolving Credits	3,500
- Amanah Trade Bills	2,692
- Murabahah Project Facility ("Project Facility")	8,841
- Irredeemable Convertible Preference Shares ("ICPS") - liability component	179,685
Secured:	
- Amanah Term Financing, which is denominated in Ringgit Malaysia.	5,910
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	3,083
- Murabahah Project Facility ("Project Facility")	47,659
- Syndicated Facility	156,061
	<u>212,712</u>
	<u>417,470</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	510
- Borrowings:	
- repayable between one and two years	115,617
- repayable between two and five years	74,200
- repayable after five years	179,685
	<u>370,012</u>
	RM '000
Current portion:	
- Hire purchase and finance lease liabilities, repayment less than 1 year	2,573
- Borrowings, repayable within one year	44,885
	<u>47,458</u>
	<u>417,470</u>

## B8 Material litigations

Save as below, there were no material litigations or pending material litigations involving the Group as at the date of this announcement.

In the mention today, the court has set up the next case management on 16 January 2014 for the parties to file their replies and applications. Notwithstanding the progression of the Suit, the Company is still in negotiation with Intel to bring to a close a settlement structure for the Company's obligation to the Put Option Agreement. The Company is targeting to reach a settlement with Intel before the end of 4QFY2013.

## 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 30.09.2013 RM'000	As at 30.06.2013 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised accumulated losses	(770,092)	(736,766)
- Unrealised retained profits	2,753	2,736
Consolidation adjustments	297,322	278,429
Total Group accumulated losses	<u>(470,017)</u>	<u>(455,601)</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		9 months period ended	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Loss attributable to ordinary equity holders of the Company (RM'000)	(14,417)	(17,516)	(54,035)	(50,133)
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000)	690,406	687,566	690,406	667,764
Basic loss per share (sen)	<u>(2.1)</u>	<u>(2.5)</u>	<u>(7.8)</u>	<u>(7.5)</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

	9 months period ended	
	9/30/2013 RM'000	9/30/2012 RM'000
<b>Loss for the period/year is arrived at after charging:</b>		
Amortisation of :		
- development cost	3,108	3,204
- intellectual property	1,710	1,790
- modem	19,411	20,742
- prepaid land lease payments	205	614
Depreciation of plant and equipment	67,041	57,757
Interest paid	37,867	16,900
Share based payment under ESOS	2,479	2,478
Foreign exchange loss	230	-
<b>and after crediting :</b>		
Other non-cash items	(136)	(1,443)

## B13 Authorisation for issue

The interim financial statements were authorised on 25 November 2013 for issue by the Board of Directors.