

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015.**

(The figures have not been audited)

|   | Individual Quarter    |            | Cumulative Quarter  |            |
|---|-----------------------|------------|---------------------|------------|
|   | 3 Months Period Ended |            | 9 Months Cumulative |            |
|   | 31/03/2015            | 31/03/2014 | 31/03/2015          | 31/03/2014 |
|   | RM '000               | RM '000    | RM '000             | RM '000    |
| Revenue   | 73,757                | N/A        | 260,737             | N/A        |
| Operating expenses  |                       |            |                     |            |
| -Depreciation, impairment & amortisation                        | (2,186)               | N/A        | (6,611)             | N/A        |
| -Other operating costs  | (70,584)              | N/A        | (254,381)           | N/A        |
| Other income  | 460                   | N/A        | 153,343             | N/A        |
| Profit from operations  | 1,447                 | N/A        | 153,088             | N/A        |
| Share of net loss of associate                                  | (18,574)              | N/A        | (34,078)            | N/A        |
| Finance costs   | (2,425)               | N/A        | (8,950)             | N/A        |
| <b>(Loss)/ Profit before tax</b>                                | <b>(19,552)</b>       | <b>N/A</b> | <b>110,060</b>      | <b>N/A</b> |
| Income tax expense  | (629)                 | N/A        | (3,486)             | N/A        |
| <b>(Loss)/ Profit from continuing operations</b>                | <b>(20,181)</b>       | <b>N/A</b> | <b>106,574</b>      | <b>N/A</b> |
| <b>Discontinued operation</b>                                   |                       |            |                     |            |
| Loss after taxation from discontinued operation                 |                       |            |                     |            |
| -Discontinued operation   | -                     | N/A        | (51,947)            | N/A        |
| <b>(Loss)/ Profit for the period</b>                            | <b>(20,181)</b>       | <b>N/A</b> | <b>54,627</b>       | <b>N/A</b> |
| Foreign currency translation differences for foreign operations | 780                   | N/A        | 764                 | N/A        |
| <b>Total other comprehensive expense for the period</b>         | <b>780</b>            | <b>N/A</b> | <b>764</b>          | <b>N/A</b> |
| <b>Total comprehensive (Loss)/ Profit for the period</b>        | <b>(19,400)</b>       | <b>N/A</b> | <b>55,392</b>       | <b>N/A</b> |
| (Loss)/ Profit attributable to:                                 |                       |            |                     |            |
| Owners of the Company   | (20,125)              | N/A        | 78,151              | N/A        |
| Non-controlling interests                                       | (56)                  | N/A        | (23,524)            | N/A        |
| <b>(Loss)/ Profit for the Period</b>                            | <b>(20,181)</b>       | <b>N/A</b> | <b>54,627</b>       | <b>N/A</b> |
| Total comprehensive (Loss)/ Profit attributable to:             |                       |            |                     |            |
| Owners of the Company   | (19,345)              | N/A        | 78,916              | N/A        |
| Non-controlling interests                                       | (56)                  | N/A        | (23,524)            | N/A        |
| <b>Total comprehensive (Loss)/ Profit for the period</b>        | <b>(19,400)</b>       | <b>N/A</b> | <b>55,392</b>       | <b>-</b>   |
| Basic (loss)/ earning per ordinary share (sen):                 | (3)                   | N/A        | 11                  | N/A        |
| Diluted (loss)/ earning 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 30 June 2014.

\*Note: No comparison is provided due to the change in financial year end to 31 December 2015. The rationale for the aforesaid change of financial year is to facilitate the Group's annual financial audit by virtue of its significant stake in Packet One Networks (Malaysia) Sdn Bhd with its financial year ending 31 December.

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015**

|  | <b>As at<br/>31/03/2015</b> | <b>As at<br/>30/6/2014</b> |
|--|-----------------------------|----------------------------|
|  | <b>(Unaudited)</b>          | <b>(Audited)</b>           |
|  | <b>RM '000</b>              | <b>RM '000</b>             |
| <b>ASSETS</b>  |                             |                            |
| Investment in associate  | 166,540                     | -                          |
| Property, plant and equipment  | 2,938                       | 3,715                      |
| Other long term investments  | 137                         | 135                        |
| Goodwill on acquisition  | 5,799                       | 5,799                      |
| Development costs  | 11,505                      | 14,219                     |
| Intangible - Intellectual property   | 2,893                       | 3,894                      |
| <b>Total non-current assets</b>  | <b>189,810</b>              | <b>27,762</b>              |
| Inventories  | 14,584                      | 3,211                      |
| Trade receivables  | 83,206                      | 52,688                     |
| Other receivables, deposits and prepayments  | 12,492                      | 23,204                     |
| Deposits with licensed banks   | 4,837                       | 3,681                      |
| Cash and bank balances   | 31,148                      | 36,093                     |
| Amount owing by associate  | 15,156                      | -                          |
| Assets of disposal group classified as held for sale                                   | -                           | 760,700                    |
| <b>Total current assets</b>  | <b>161,423</b>              | <b>879,577</b>             |
| <b>TOTAL ASSETS</b>  | <b>351,234</b>              | <b>907,339</b>             |
| <b>EQUITY</b>  |                             |                            |
| Share capital  | 138,089                     | 138,082                    |
| Reserves   | (2,951)                     | (115,324)                  |
| <b>Total equity attributable to owners of the Company</b>                              | <b>135,138</b>              | <b>22,758</b>              |
| <b>Non-controlling interests</b>   | <b>(874)</b>                | <b>(1,269)</b>             |
| <b>Total equity</b>  | <b>134,264</b>              | <b>21,489</b>              |
| <b>LIABILITIES</b>   |                             |                            |
| Long term borrowings   | 124,100                     | -                          |
| Hire purchase and finance lease liabilities  | 86                          | 113                        |
| Deferred tax liabilities   | 2,560                       | 2,595                      |
| <b>Total non-current liabilities</b>   | <b>126,747</b>              | <b>2,708</b>               |
| Trade payables   | 42,705                      | 22,050                     |
| Other payables and accruals  | 39,268                      | 46,817                     |
| Short term borrowings  | -                           | 654                        |
| Hire purchase and finance lease liabilities  | 46                          | 51                         |
| Amount owing to associate  | 2,821                       | -                          |
| Provisions   | 5,383                       | 20,458                     |
| Liabilities of disposal group classified as held for sale                              | -                           | 793,112                    |
| <b>Total current liabilities</b>   | <b>90,224</b>               | <b>883,142</b>             |
| <b>TOTAL LIABILITIES</b>   | <b>216,970</b>              | <b>885,850</b>             |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>351,234</b>              | <b>907,339</b>             |
| <b>Net asset per share attributable to ordinary equity holders of the parent (sen)</b> | <b>20</b>                   | <b>3</b>                   |

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2014.

**GREEN PACKET BERHAD ( 534942-H )**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

(The figures have not been audited)

|   | <-----Attributable to owners of the Company -----> |                   |                                      |                 |                |                    |           |                           |              |
|---|--|-------------------|--------------------------------------|-----------------|----------------|--------------------|-----------|---------------------------|--------------|
|   | Shares capital                                     | Non-Distributable |                                      |                 |                |                    | Sub-total | Non-controlling interests | Total Equity |
|   |  | 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                   |              |
| At 1 July 2014  | 138,082  | 355,067           | (160)                                | (11,389)        | 75,549         | (534,391)          | 22,758    | (1,269)                   | 21,489       |
| - As previously stated  |  |                   |                                      |                 |                |                    |           |                           |              |
| - As restated   | 138,082  | 355,067           | (160)                                | (11,389)        | 75,549         | (534,391)          | 22,758    | (1,269)                   | 21,489       |
| Foreign currency translation differences for foreign operations | -  | -                 | 1,819                                | -               | -              | -                  | 1,819     | -                         | 1,819        |
| Total other comprehensive income for the period                 | -  | -                 | 1,819                                | -               | -              | -                  | 1,819     | -                         | 1,819        |
| Loss for the period   | -  | -                 | -                                    | -               | -              | 78,916             | 78,916    | (23,524)                  | 55,392       |
| <b>Total comprehensive profit for the period</b>                | -  | -                 | 1,819                                | -               | -              | 78,916             | 80,735    | (23,524)                  | 57,211       |
| Issuance of ordinary shares                                     | 7  | 4                 | -                                    | -               | -              | -                  | 11        | -                         | 11,000       |
| Share-based payment transaction under ESOS                      | -  | -                 | -                                    | -               | 794            | -                  | 794       | -                         | 794,000      |
| Transfer of non-controlling interest to the Group               | -  | -                 | -                                    | -               | -              | 30,840             | 30,840    | (98,449)                  | (67,608)     |
| Disposal of subsidiary  | -  | -                 | -                                    | -               | -              | -                  | -         | 122,368                   | 122,368      |
| Crystallisation of warrant reserves                             | -  | 57,711            | -                                    | -               | (57,711)       | -                  | -         | -                         | -            |
| <b>Total contribution from / distribution to owners</b>         | 7  | 57,715            | -                                    | -               | (56,917)       | 30,840             | 31,645    | 23,919                    | 55,564       |
| At 31 March 2015  | 138,089  | 412,782           | 1,659                                | (11,389)        | 18,632         | (424,635)          | 135,138   | (874)                     | 134,264      |

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2014.

|   | <-----Attributable to Equity Holders of the Parent -----> |               |                                      |                 |                |                    |           |                           |              |
|---|---|---------------|--------------------------------------|-----------------|----------------|--------------------|-----------|---------------------------|--------------|
|   | Non-Distributable   |               |                                      |                 |                |                    | 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                   |              |
| <b><i>Audited</i></b>   |   |               |                                      |                 |                |                    |           |                           |              |
| 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 | -   | -             | 1,001                                | -               | -              | -                  | 1,001     | -                         | 1,001        |
| Total other comprehensive income for the period                 | -   | -             | 1,001                                | -               | -              | -                  | 1,001     | -                         | 1,001        |
| Loss for the period   | -   | -             | -                                    | -               | -              | (118,409)          | (118,409) | (106,461)                 | (224,870)    |
| <b>Total comprehensive loss for the period</b>                  | -   | -             | 1,001                                | -               | -              | (118,409)          | (117,408) | (106,461)                 | (223,869)    |
| Issuance of ordinary shares                                     | 1   | -             | -                                    | -               | -              | -                  | 1         | -                         | 1            |
| Issuance of preference shares by a subsidiary                   | -   | -             | -                                    | -               | -              | -                  | -         | 47                        | 47           |
| Capital contribution from holder of ICPS C                      | -   | -             | -                                    | -               | -              | -                  | -         | 30,331                    | 30,331       |
| Share Options granted under ESOS                                | -   | -             | -                                    | -               | 369            | -                  | 369       | -                         | 369          |
| Transfer of share premium for ESOS                              | -   | -             | -                                    | -               | -              | -                  | -         | -                         | -            |
| <b>Total contribution from / distribution to owners</b>         | 1   | -             | -                                    | -               | 369            | -                  | 370       | 30,378                    | 30,748       |
| At 30 June 2014   | 138,082   | 355,067       | (160)                                | (11,389)        | 75,549         | (534,391)          | 22,758    | (1,269)                   | 21,489       |

\* Represented amount less than RM1,000

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2014.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

|  | Financial period ended |                 |
|--|------------------------|-----------------|
|  | 31/03/2015             | 30/6/2014       |
|  | RM'000                 | RM'000          |
|  | (Unaudited)            | (Audited)       |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |                        |                 |
| Profit/ (Loss) before taxation   |                        |                 |
| -continuing operations   | 107,306                | 2,255           |
| -discontinued operation  | (51,947)               | (204,238)       |
| Adjustments for non cash items:-   |                        |                 |
| Amortisation of development cost   | 3,765                  | 7,289           |
| Amortisation of intellectual property  | 1,001                  | 2,771           |
| Amortisation of modem  | -                      | 33,496          |
| Bad debts written off  | -                      | 152             |
| Depreciation of plant and equipment  | 23,840                 | 135,342         |
| Development cost written off   | -                      | 6,648           |
| Impairment of goodwill   | -                      | 346             |
| Share based payment under ESOS   | 794                    | 369             |
| Gain on dilution of subsidiaries   | (152,685)              | -               |
| Other non-cash items   | -                      | 93,641          |
| Operating profit/(loss) before working capital changes                               | (67,926)               | 78,071          |
| Changes in working capital   |                        |                 |
| Decrease/(Increase) in assets  | (48,764)               | (51,635)        |
| (Decrease)/Increase in liabilities   | 10,964                 | 97,219          |
| Cash from operating activities   | (105,726)              | 123,655         |
| Finance costs  | -                      | (83,390)        |
| Tax paid   | (15,077)               | (2,230)         |
| <b>Net cash from operating activities</b>  | <b>(120,803)</b>       | <b>38,035</b>   |
| <b>CASH FLOW FOR INVESTING ACTIVITIES</b>  |                        |                 |
| Development expenditure incurred   | (1,050)                | (6,496)         |
| Interest received  | -                      | 2,778           |
| Proceeds from disposal of plant and equipment  | -                      | 50,696          |
| Purchase of plant and equipment  | (5,713)                | (25,296)        |
| <b>Net cash for investing activities</b>   | <b>(6,763)</b>         | <b>12,906</b>   |
| <b>CASH FLOW FOR FINANCING ACTIVITIES</b>  |                        |                 |
| Drawdown of bank borrowings  | 123,811                | -               |
| Net drawdown of hire purchase/lease obligations                                      | (32)                   | -               |
| Issuance of Preference Share to non-controlling interest by subsidiary               | -                      | 47              |
| Proceeds from issuance of ordinary shares  | 7                      | 1               |
| Net drawdown/(repayment) of bank borrowings  | -                      | (63,960)        |
| Repayment to hire purchase/lease obligations   | -                      | 513             |
| <b>Net cash for financing activities</b>   | <b>123,786</b>         | <b>(63,399)</b> |
| Net increase/ (decrease) in cash and cash equivalents                                | (5,598)                | (12,458)        |
| Foreign exchange translation differences   | 1,819                  | 1,735           |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD                       | 39,764                 | 54,979          |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD                             | 35,985                 | 44,256          |
| Cash and cash equivalents at the end of the financial period comprise the following: |                        |                 |
| <b><u>Continuing Operations</u></b>  |                        |                 |
| Cash and bank balances   | 31,148                 | 36,093          |
| Fixed deposit with licensed bank   | 4,837                  | 3,681           |
| <b><u>Discontinued Operation</u></b>   |                        |                 |
| Cash and bank balances   | -                      | 4,482           |
|  | 35,985                 | 44,256          |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

**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 period ended 30 June 2014.

**A2 Changes in accounting policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial period ended 30 June 2014 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 July 2014 as set out below:

- a) Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities (effective from 1 January 2014)
- b) Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions (effective from 1 July 2014)
- c) Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)
- d) Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets (effective from 1 January 2014)
- e) Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting (effective from 1 January 2014)
- f) IC Interpretation 21 Levies (effective from 1 January 2014)
- g) Annual Improvements to MFRSs 2010 – 2012 Cycle (effective from 1 July 2014)
- h) Annual Improvements to MFRSs 2011 – 2013 Cycle (effective from 1 July 2014)

**A3 Auditors' report on preceding annual financial statements**

The auditor's report on the financial statements for the financial period ended 30 June 2014 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 2015, except the following:

The movement of the Employees' Share Option Scheme ("the Scheme") 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<br>(000)   | RM 1.97<br>(000) | RM 0.80<br>(000) | RM 1.10 each<br>(000) | RM 0.60<br>(000) | RM 0.56 each<br>(000) | RM 0.30 each<br>(000) |
| Balance as at 1 July 2014          | 4,178  | 3,103            | 4,008            | 4,536                 | 4,865            | 5,817                 | 6,946                 |
| Granted during the year            | -  | -                | -                | -                     | -                | -                     | -                     |
| Cancellation during the year       | -  | (86)             | (61)             | (160)                 | (142)            | (184)                 | (163)                 |
| Exercise during the year           | -  | -                | -                | -                     | -                | -                     | (38)                  |
| Outstanding as at<br>31 March 2015 | 4,178  | 3,017            | 3,947            | 4,376                 | 4,723            | 5,633                 | 6,745                 |

The Scheme is expiring on 8 August 2016.

**A8 Dividends Payment**

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

#### A9 Loss after taxation from discontinued operation

The Group has significantly diluted its equity interest in its Broadband business, completed in September 2014.

An analysis of the results of the discontinued operation is as follows:-

|   | The Group<br>30-Sep-14<br>RM'000 |
|---|----------------------------------|
| Revenue   | 61,617                           |
| Cost of Goods Sold                              | (15,295)                         |
| Gross Profit                                    | 46,321                           |
| Other Income                                    | 235                              |
|   | 46,556                           |
| Operating Expenses                              | (78,344)                         |
| Finance cost                                    | (20,158)                         |
| Loss before taxation                            | (51,947)                         |
| Income tax expense                              | -                                |
| Loss after taxation from discontinued operation | (51,947)                         |

#### A10 Segmental information

Segmental information is provided based on geographical segment by customers' location and no comparison is provided due to the change in financial period ended to 31 March 2015, as follows:-

##### Results for the financial year (period ended 31 March 2015)

|   | Malaysia<br>RM'000 | Overseas<br>RM'000 | Group<br>RM'000 |
|---|--------------------|--------------------|-----------------|
| <b>Revenue</b>                                    |                    |                    |                 |
| Software and Devices                              | 1,464              | 105,898            | 107,363         |
| Broadband Services                                | 61,617             | -                  | 61,617          |
| Communication Services                            | 475                | 152,899            | 153,375         |
|   | <u>63,556</u>      | <u>258,798</u>     | <u>322,354</u>  |
| <b>Results</b>                                    |                    |                    |                 |
| Software and Devices                              | (26,214)           | -                  | (26,214)        |
| Broadband Services                                | (31,918)           | -                  | (31,918)        |
| Communication Services                            | (73)               | 6,129              | 6,056           |
|   | <u>(58,204)</u>    | <u>6,129</u>       | <u>(52,075)</u> |
| Finance costs                                     |                    |                    | (8,950)         |
| Finance income                                    |                    |                    | 658             |
|   |                    |                    | <u>(60,367)</u> |
| Dilution of interest in subsidiary                |                    |                    | 152,685 *       |
| Share of net loss of associate                    |                    |                    | (34,078)        |
| Income tax expense                                |                    |                    | (3,486)         |
| Profit after taxation                             |                    |                    | 54,754          |
| Non-controlling interests                         |                    |                    | 23,524          |
| Profit after taxation & Non-controlling interests |                    |                    | <u>78,278</u>   |

\*Note: includes a one-time gain on dilution of subsidiary interest from 55.0% to 31.1% contributed RM152.68 million to the results.

#### A11 Valuation of property, plant and equipment

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

#### A12 Material events subsequent to the end of the quarter

- a) On 30 April 2015, Packet One Sdn. Bhd. had accepted an offer to invest in Packet One Networks (Malaysia) Sdn. Bhd.'s Tranche 1B Convertible Medium Term Notes for an amount of RM37,455,000 of which the Group plans to issue similar value new Exchangeable Medium Term Notes issuance to Telekom Malaysia Bhd. (or if Telekom Malaysia Bhd. elects to Mobikom Sdn. Bhd.) as part of the proposed issuance.
- b) On 28 May 2015, the Company approved 1,974,000 new share options to the Company's directors and eligible person of the Group at the Option Price of RM0.26 per new Green Packet Shares pursuant to the Employees' Share Option Scheme.

#### A13 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 2015.

#### A14 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.

#### A15 Capital commitments

|                                  |              |
|----------------------------------|--------------|
| Plant & equipment                | RM'000       |
| Approved and contracted for:     | -            |
| Approved and not contracted for: | <u>2,121</u> |

#### A16 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

Total revenue, EBITDA and loss after tax of the Group stands at approximately RM73.8 million, RM3.7 million and (RM19.4 million) respectively for the current financial quarter ended at 31 March 2015 ("3Q15"). Loss after tax includes (RM18.6 million) share of net loss of associate.

Revenue contribution comprises the following:-

|                        | 3 months period ended |            | % Change   |
|------------------------|-----------------------|------------|------------|
|                        | 31/03/2015            | 31/03/2014 |            |
|                        | RM million            | RM million |            |
| Software and Devices   | 25.31                 | N/A        | N/A        |
| Communication Services | 48.45                 | N/A        | N/A        |
|                        | <u>73.76</u>          | <u>N/A</u> | <u>N/A</u> |

- Software and Devices business registered 29% higher revenue in the current period year on year basis.
- The Communication Services business recorded a higher revenue of RM48.4 million which represent a 20% growth in the current period as compare to the corresponding year on year period.

EBITDA comprises the following:-

|                        | 3 months period ended |            | % Change   |
|------------------------|-----------------------|------------|------------|
|                        | 31/03/2015            | 31/03/2014 |            |
|                        | RM million            | RM million |            |
| Software and Devices   | 2.47                  | N/A        | N/A        |
| Communication Services | 1.95                  | N/A        | N/A        |
|                        | <u>4.42</u>           | <u>N/A</u> | <u>N/A</u> |

- EBITDA improved 284% quarter on quarter basis mainly due to additional provision in Software & Devices business made in the preceding quarter.

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

|                            | 3 months period ended |            | % Change   |
|----------------------------|-----------------------|------------|------------|
|                            | 31/03/2015            | 31/03/2014 |            |
|                            | RM million            | RM million |            |
| Software and Devices *     | (2.23)                | N/A        | N/A        |
| Communication Services     | 1.41                  | N/A        | N/A        |
| Share of loss of associate | (18.57)               | N/A        | N/A        |
|                            | <u>(19.40)</u>        | <u>N/A</u> | <u>N/A</u> |

\*Including interest cost of RM2.4 million in relation to the Exchangeable Medium Term Notes drawdown.



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

Overall revenue for current year quarter was lower due to the normal slower period in early of the year for both our Software & Devices and Communication businesses. However, the Group registered improved profitability with better result in the current quarter from Software & Devices and lower losses from Broadband investment as compared to preceding quarter.

|                 | Current Year<br>Quarter | Immediate<br>Preceding<br>Quarter | % Change |
|-----------------|-------------------------|-----------------------------------|----------|
|                 | 31/03/2015              | 31/12/2014                        |          |
|                 | RM million              | RM million                        |          |
| Revenue         | 73.76                   | 97.81                             | -24.6%   |
| Loss before tax | (18.77)                 | (22.45)                           | 16.4%    |
| Loss after tax  | (19.40)                 | (23.35)                           | 16.9%    |

**B3 Business prospects**

The LTE revenue contributed 60% of total Software & Devices turnover in the current period. The Group will continue to establish itself as a major player in this area by further expanding its LTE products range. In addition, the Communication services business will invest in expanding its market presence in the Middle East and Africa regions.

However, the Board foresees the Group performance will remain challenging in the near future.

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

Not applicable as no forecast was published.

**B5 Income tax expense**

|                     | Financial<br>period ended<br>31 March 2015<br>RM'000 |
|---------------------|--|
| Current tax expense | 3,486  |

**B6 Status of corporate proposals and utilisation of proceeds**

a) 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.

b) On 27 March 2014, Green Packet Berhad ("the Company") has entered into a conditional investment agreement ("Investment Agreement") with Mobikom Sdn Bhd ("Mobikom"), a wholly-owned subsidiary of Telekom Malaysia Berhad ("TMB"), SK Telecom Co. Ltd. ("SKT"), Packet One Sdn Bhd ("POSB"), a wholly-owned subsidiary of the Company, TMB and Packet One Networks (Malaysia) Sdn Bhd ("PON"), a 55%-owned subsidiary of POSB, for the subscription by Mobikom of new ordinary shares of RM1.00 each in PON ("PON Share(s)") ("Subscription Share(s)") for a total subscription consideration of RM350.0 million ("Subscription Consideration"). The subscription price per PON Share and the actual number of PON Shares to be subscribed by Mobikom will be determined in accordance with the terms of the Investment Agreement ("Mobikom Subscription"). The multiple proposals that are not completed are as stated below:-

(I) Proposed issuance by the Company of up to RM210.0 million of nominal value of eight (8)-year Redeemable Exchangeable Bonds (also known as Exchangeable Medium Term Notes) to TMB (or if TMB elects to Mobikom) in tranches; and

(II) Proposed subscription by POSB and/or its affiliates of up to RM247.5 million of nominal value of eight (8)-year Convertible Unsecured Bonds to be issued by PON in tranches, after the completion of the proposed dilution.

(To be collectively referred to as the "Proposals")

As of 30 September 2014, the Company has issued the tranche A of the Exchangeable Medium Term Notes issuance comprising RM119,327,377 of nominal value of the Exchangeable Medium Term Notes to Mobikom. The proceeds raised were utilised in the following manner:-

|   |                |
|---|----------------|
|   | RM '000        |
| - Settlement of the judgment obtained by Intel Capital Corporation under Kuala Lumpur High Court suit 22NCC-506-07/2013     | 79,327         |
| -Settlement of the proposed acquisition by POSB of an aggregate of 450,000 PON shares from the minority shareholders of PON | 30,000         |
| -Working capital and general corporate purposes   | 10,000         |
|   | <u>119,327</u> |

- c) On 30 April 2015, POSB had accepted an offer to invest in PON's Tranche 1B Convertible Medium Term Notes for an amount of RM37,455,000 of which the Group plans to issue similar value new Exchangeable Medium Term Notes issuance to TMB (or if TMB elects to Mobikom) as part of the proposed issuance stated on b(I) above.

#### B7 Group borrowings and debt securities

As at 31 March 2015, total borrowings of the Group are as follows:

|   |                |
|---|----------------|
|   | RM '000        |
| <u>Total borrowings:</u>  |                |
| Unsecured:  |                |
| - Exchangeable Medium Term Notes  | 124,100        |
| Secured:  |                |
| - Hire purchases creditors, which are denominated in Ringgit Malaysia.    | 131            |
|   | <u>124,232</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                           | 93             |
| - Borrowings:   |                |
| - repayable after five years  | 124,100        |
| Current portion:  |                |
| - Hire purchase and finance lease liabilities, repayment within one year  | 38             |
|   | <u>124,232</u> |

#### B8 Material litigations

There were no 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 Realised and unrealised losses disclosure

The Group's realised and unrealised accumulated losses disclosure are as follows:

|   | As at<br>31.03.2015<br>RM'000 | As at<br>31.03.2014<br>RM'000 |
|---|-------------------------------|-------------------------------|
| Total accumulated losses of the Company and subsidiaries: |                               |                               |
| - Realised accumulated losses                             | (524,114)                     | N/A                           |
| - Unrealised retained profits                             | 3,020                         | N/A                           |
| Consolidation adjustments                                 | 96,459                        | N/A                           |
| Total Group accumulated losses                            | <u>(424,635)</u>              | <u>N/A</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 |            |
|--|-----------------------|------------|-----------------------|------------|
|  | 31.03.2015            | 31.03.2014 | 31.03.2015            | 31.03.2014 |
| Profit/ (Loss) attributable to ordinary equity holders of the Company (RM'000) | (20,125)              | N/A        | 78,151                | N/A        |
| Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000) | 690,409               | N/A        | 690,409               | N/A        |
| Basic earning/ (loss) per share (sen)  | (3)                   | N/A        | 11                    | N/A        |

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 |             |
|--|-----------------------|-------------|
|  | 31.03.2015            | 31.03.2014* |
|  | RM'000                | RM'000      |
| <b>Loss for the period/year is arrived at after charging (Continuing operation):</b> |                       |             |
| Amortisation of :  |                       |             |
| - development cost   | 3,646                 | N/A         |
| - intellectual property  | 1,001                 | N/A         |
| Depreciation of plant and equipment  | 1,959                 | N/A         |
| Finance Costs  | -                     | N/A         |
| Share based payment under ESOS   | 794                   | N/A         |
| Foreign exchange loss  | (1,362)               | N/A         |
| <b>and after crediting :</b>   |                       |             |
| Other non-cash items   | -                     | N/A         |

\*Note: No comparison is provided due to the change in financial year end to 31 December 2015.

**B13 Comparative Figure**

There were no comparative figures for this quarter ended 31 March 2015 following the Company's change of financial year end from 30 June to 31 December. Enclosed herewith the quarterly financial results for the period ended 31 March 2014 marked as "Appendix A" for your reference.

**B14 Change of financial year end**

On 26 January 2015, the Board has approved to change the financial year end from 30 June 2015 to 31 December and the next financial statements shall be in a period of 18 months, from 1 July 2014 to 31 December 2015.

**B15 Authorisation for issue**

The interim financial statements were authorised on 28 May 2015 for issue by the Board of Directors.