All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your GPB Shares, you should at once hand this Abridged Prospectus together with the NPA and the RSF to the agent/ broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus together with the NPA and the RSF have also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 12 September 2018. The approval from Bursa Securities has also been obtained vide its letter dated 10 August 2018 for the admission of the Warrants to the Official List and the listing of and quotation for the Rights Shares, the Warrants and the new GPB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants. The admission of the Warrants to the Official List and the listing of and quotation for all the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The admission of the Warrants to the Official List and the listing of and quotation for all the said new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/ or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Directors have seen and approved all the documentation relating to the Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus together with the accompanying NPA and RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Thursday, 1 November 2018. This Abridged Prospectus together with the accompanying NPA and RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/ or their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/ or other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares and the Warrants would result in a contravention of any laws of such countries or jurisdictions. Neither we, UOBKH nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the Rights Shares and the Warrants made by the Entitled Shareholders and/ or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

UOBKH, being our Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.

greenpacket

GREEN PACKET BERHAD

(Company No.: 534942-H)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 150,202,583 NEW ORDINARY SHARES IN GREEN PACKET BERHAD ("GPB" OR THE "COMPANY") ("GPB SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 5 EXISTING GPB SHARES HELD, TOGETHER WITH UP TO 450,607,749 FREE DETACHABLE WARRANTS ("WARRANT(S) ") ON THE BASIS OF 3 WARRANTS FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, AS AT 5.00 P.M. ON THURSDAY, 1 NOVEMBER 2018 AT AN ISSUE PRICE OF RM0.40 PER RIGHTS SHARE

Adviser

UOBKayHian

UOB Kay Hian Securities (M) Sdn Bhd

(Company No. 194990-K)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	:	Thursday, 1 November 2018 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Friday, 9 November 2018 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Wednesday, 14 November 2018 at 4.00 p.m.
Last date and time for acceptance and payment	:	Monday, 19 November 2018 at 5.00 p.m.
Last date and time for excess application and payment	:	Monday, 19 November 2018 at 5.00 p.m.

This Abridged Prospectus is dated 1 November 2018

Company No. 534942-H

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENTS IN THE RIGHTS SHARES AND THE WARRANTS. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, SUCH AS OUR DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE ABRIDGED PROSPECTUS TOGETHER WITH THE NPA AND THE RSF HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.

Company No. 534942-H

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

"Abridged Prospectus"	:	This abridged prospectus dated 1 November 2018
"Act"	:	The Companies Act, 2016 of Malaysia, as amended from time to time, including any re-enactment thereof
"ASEAN"	:	Association of Southeast Asian Nations
"Board"	:	The Board of Directors of GPB
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CC Puan"	:	Puan Chan Cheong, a substantial shareholder of our Company, who holds 76,320,770 GPB Shares, representing 10.16% of our total issued Shares (excluding treasury shares) as at the LPD
"CDS"	:	Central Depository System
"CDS Account"	:	A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depository) Act, 1991 and the rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
"CMSA"	:	Capital Markets and Services Act, 2007 of Malaysia, as amended from time to time, including any re-enactment thereof
"Deed Poll"	:	The deed poll dated 18 October 2018 constituting the Warrants, of which each Warrant provides the right to the holder of the Warrants to subscribe for 1 new GPB Share during the 5-year exercise period of the Warrants at the exercise price of RM0.40 per Warrant
"Director(s)"	:	The director(s) of GPB and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
"EBITDA"	:	Earnings before interests, taxes, depreciation and amortisation
"EGM"	:	Extraordinary General Meeting
"Entitled Shareholder(s)"	:	Our shareholders who are registered as members and whose names appear in the Record of Depositors of the Company on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on Thursday, 1 November 2018, being the time and date on which our Entitled Shareholders must be registered as members and whose names appear in the Record of Depositors in order to participate in the Rights Issue with Warrants
"EPS"	:	Earnings per Share
"Excess Rights Shares with Warrants"	:	Rights Shares with free Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/ or their renouncee(s) (if applicable) prior to excess application pursuant to the Rights Issue with Warrants

DEFINITIONS (CONT'D)

"Foreign Entitled Shareholder(s)"	:	Entitled Shareholder(s) who have not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue with Warrants
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended/ ending
"GDP"	:	Gross domestic product
"GPB" or the "Company"	:	Green Packet Berhad (534942-H)
"GPB Group" or the "Group"	:	GPB and its subsidiary companies, collectively
"GPB Share(s)" or "Share(s)"	:	Ordinary shares in GPB
"GPHL"	:	Green Packet Holdings Ltd (579725), a substantial shareholder of our Company, who holds 141,000,000 GPB Shares, representing 18.77% of our total issued Shares (excluding treasury shares) as at the LPD
"LAT"	:	Loss after taxation
"LBITDA"	:	Loss before interests, taxes, depreciation and amortisation
"LBT"	:	Loss before taxation
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	16 October 2018, being the latest practicable date prior to the registration of this Abridged Prospectus by the SC
"LPS"	:	Losses per Share
"Market Day(s)"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario"	:	Assuming the Rights Issue with Warrants is fully subscribed by the Entitled Shareholders and/ or their renouncee(s) (if applicable). Under this scenario, the total funds of RM60,081,033 will be raised from the Rights Issue with Warrants, derived based on up to 150,202,583 Rights Shares to be subscribed by the Entitled Shareholders and/ or their renouncee(s) (if applicable) at RM0.40 per Rights Share
"Minimum Scenario"	:	Assuming the Rights Issue with Warrants is undertaken on a Minimum Subscription Level basis. Under this scenario, the total funds of RM14,985,662 will be raised from the Rights Issue with Warrants, derived based on the minimum 37,464,154 Rights Shares to be subscribed by the Undertaking Shareholders at RM0.40 per Rights Share

"Minimum Subscription Level"	:	Minimum level of subscription of 37,464,154 Rights Shares by the Undertaking Shareholders based on the minimum level of funds that our Company wishes to raise from the Rights Issue with Warrants amounting to RM14,985,662 based on the issue price of RM0.40 per Rights Share. For avoidance of doubt, and as earlier contained in the circular to our shareholders dated 21 August 2018 pertaining to the Rights Issue with Warrants, our minimum subscription level basis was initially structured based on our intention to raise RM13,112,454 whereby the Undertaking Shareholders shall collectively subscribe for 37,464,154 Rights Shares entitled to them at no less than RM0.35 per Rights Share. Our Board, after having taking consideration the growth plans for our solutions and digital services segments, have decided to revise the minimum proceeds to be raised from the Rights Issue with Warrants from RM13,112,454 to RM14,985,662. Accordingly, our Board had decided to fix the issue price for the Rights Shares at RM0.40 each. As such, based on the 37,464,154 Rights Shares to be subscribed by our Undertaking Shareholders at an issue price of RM0.40 per Rights Share, we will be able to achieve the minimum level of funds that our Company wishes to raise from the Rights Issue with Warrants amounting to RM14,985,662
"NA"	:	Net assets attributable to ordinary equity holders of our Company
"NPA"	:	Notice of provisional allotment of the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants
"OEM"	:	Original equipment manufacturers
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"PAC"	:	Person acting in concert with the Undertaking Shareholders, namely Tan Sri Dato' Kok Onn
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PRC"	:	People's Republic of China
"Provisional Rights Shares with Warrants"	:	Rights Shares and Warrants provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue with Warrants
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the rules of Bursa Depository
"Rights Issue with Warrants"	:	A renounceable rights issue of up to 150,202,583 Rights Shares on the basis of 1 Rights Share for every 5 existing GPB Shares held, together with up to 450,607,749 Warrants on the basis of 3 Warrants for every 1 Rights Share subscribed for on the Entitlement Date at an issue price of RM0.40 per Rights Share
"Rights Share(s)"	:	Up to 150,202,583 new GPB Shares to be issued pursuant to the Rights Issue with Warrants
"RSF"	:	Rights Subscription Form for the Rights Issue with Warrants

"Rules"	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC, as amended from time to time, including any re-enactment thereof
"SC"	:	Securities Commission Malaysia
"SMEs"	:	Small and medium sized entreprises
"Undertaking Shareholders"	:	Certain substantial shareholders of GPB namely, GPHL and CC Puan, who have provided their Undertakings to collectively subscribe for 37,464,154 Rights Shares at an issue price of RM0.40 each pursuant to the Rights Issue with Warrants, in order to achieve the Minimum Subscription Level
"Undertakings"	:	Irrevocable undertakings provided by the Undertakings Shareholders to subscribe for their Rights Shares under the Minimum Subscription Level
"UOBKH" or the "Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (194990-K)
"VWAP"	:	Volume weighted average market price
"Warrant(s)"	:	Up to 450,607,749 free detachable warrants in GPB to be issued pursuant to the Rights Issue with Warrants

CURRENCIES

"BHD"	:	Bahraini dinar
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RMB"	:	Chinese Renminbi
"SGD"	:	Singapore Dollar
"TWD"	:	New Taiwan Dollar
"USD"	:	United States Dollar

All references to "our Company" and "GPB" in this Abridged Prospectus are made to Green Packet Berhad (534942-H) and references to "our Group" are made to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are made to our Company, or where the context requires, our Group or any of our subsidiary companies. All references to "you" in this Abridged Prospectus are made to our Entitled Shareholders and/ or, where the context otherwise requires, their renouncee(s).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

GLOSSARY OF TECHNICAL TERMS

The glossary of technical terms as defined in this Abridged Prospectus contains explanation of certain terms which relates to our Group and/ or our business. The terminologies and their meanings may not correspond to the standard industry meanings or usage of those terms.

"4G LTE" or "LTE"	:	Long-Term Evolution is a standard for high speed wireless communication for mobile devices and data terminals. It is also commonly marketed as fourth-generation LTE (4G LTE), which basically represents the fourth generation of mobile data technology that offers better and faster connection standards as compared to its third generation predecessors of wireless mobile telecommunications technology
"CPE"	:	Customer premise equipment, which generally refers to devices that enable consumers to access telecommunications service providers' network services such as telephones, routers, network switches, modems and STB
"e-commerce"	:	Electronic commerce, or e-commerce in short, is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the Internet
"e-wallet"	:	Electronic wallet, or also referred to as digital wallet, is an electronic device or online platform service that allows consumers to make electronic transactions to purchase goods and services online. Digital wallet can also be linked with the bank accounts of consumers, and can also store consumers' information such as shipping address and payment methods to facilitate for better user efficiency
"Fibre to the Home"	:	The installation and use of fibre optic from a central point directly to a premise to provide unprecedented high speed internet access
"Fintech"	:	Financial technology, a new industry that uses technology to improve activities in finance. The use of smartphones for mobile banking, investing services and cryptocurrency are examples of technologies aiming to make financial services more accessible to the general public
"ICT"	:	Information and communication technology, which is typically described as technologies that provide access to information through telecommunications. Whilst similar to information technology (IT), ICT predominantly focuses on communication technologies which include the use of internet, wireless network, smartphones and other communication mediums
"IoT"	:	Internet of Things, or IoT in short, is the internetworking of physical devices, vehicles, buildings and other items that can be embedded with electronics, software, sensors, actuators and network connectivity that enable these objects to collect and exchange data. Within the wide-ranging spectrum of IoT applications, we are actively focusing on the continuous innovation and development of IoT products used in the automotive sectors at this juncture such as OBD-II and TPMS
"media devices"	:	Smart home connectivity devices used mainly for home entertainment solutions, which include but not limited to, OTT or casting device, and STB

GLOSSARY OF TECHNICAL TERMS (CONT'D)

"media home gateway"	:	A media home gateway is a combination solution of a CPE and OTT or casting device that enables telecommunication operators to offer bundled package (wireless broadband service with casting device) to its customers. This bundled package could potentially derive the data wireless broadband data usage hence offering additional data package selling opportunities to telecommunication operators
"mobile entertainment service platform"	:	A platform that can be characterised as an internet link or advertisement link that usually appears on social media streams targeted at mobile or internet users, and when clicked upon, these links will lead to site portals (or channels) which host the digital contents such as games or videos
"OBD-II"	:	A standardised system that onboard computers in vehicles use for self-diagnostics and reporting. It is a tracking device with data connectivity, which then transmits information such as vehicle condition, location, data and driver behavior to cloud based platform in real time. By having such information, car service centers can provide personalised service and preventive maintenance which increases customer satisfaction and loyalty. The device also empowers drivers by providing them useful insights that assist them to drive better, save fuel and reduce breakdowns. For information purpose, the OBD-II system consists of a physical device installed in the vehicle and a separate software application accessible via the user's smartphone or any other internet devices
"ONTs"	:	Optical network modem is a type of optical modem that is used in Fibre to the Home systems. The ONTs are typically a type of modem that uses fibre optic signal at the customer's premise to gain access or connectivity to the internet
"Optical modem"	:	A modem located at customer's premise that enables the customer to gain access or connectivity to the internet via the telecommunication operator network
"OTT" or "casting device"	:	Over the top or casting device, is a type of a streaming device or solution that plugs into the High-Definition Multimedia Interface (HDMI) port on television. When plugged, videos, music and images can be streamed from smartphone to the television. Simultaneously, the said smartphone can function as a remote controller and be casted for streaming on the television without having the smartphone screen to be switched on during the stream
"payment gateway"	:	A merchant service provided by an e-commerce application service provider that authorizes credit card or direct payments processing for online businesses or traditional brick and mortar businesses
"STB"	:	Set top box is a type of electronic device that allows digital broadcast to be received, decoded and displayed on an analogue television. As compared to smart television that can be equipped with integrated internet capabilities, analogue television basically receives and displays signals transmitted in a similar manner used for radio frequency transmission, and as such a STB enables the analogue television to receive digital broadcast
"STB with OTT function"	:	Essentially, a STB with built-in OTT or casting capability, which enables the television to receive digital broadcasts from the smartphone such as videos, music and images streamed from the smartphone

GLOSSARY OF TECHNICAL TERMS (CONT'D)

"TPMS"	:	Tire pressure management solutions, or TPMS in short, is an electronic system designed to monitor the air pressure inside the pneumatic tires on various type of vehicles. TPMS can report real-time tire pressure information to the driver of such vehicles. For information purpose, the TPMS system consists of a physical device installed in the vehicle's tires and a separate software application accessible via the user's smartphone or any other internet devices
"Wi-Fi"	:	A wireless networking technology that uses radio waves to provide wireless high-speed internet and network connections
"WIMAX"	:	Worldwide Interoperability for Microwave Access, a technology standard for long range wireless networking for both mobile and fixed connections

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Company No. 534942-H

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Profession
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman *(Chairman/ Independent Non-Executive Director)*	No. 34, Jalan Tualang Bukit Bandaraya 59100 Kuala Lumpur	Malaysian	Company Director
Puan Chan Cheong *(Non-Independent Non-Executive Director)*	No. 2A Villa Bovelin Lorong Awan Cina Taman Yarl (Off Old Klang Road) 58200 Kuala Lumpur	Malaysian	Company Director/ Businessman
Tan Kay Yen *(Chief Executive Officer cum Executive Director)*	No.6, Jalan SS2/43 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director/ Chief Executive Officer
Tan Sri Dato' Kok Onn *(Non-Independent Non-Executive Director)*	2A Jalan Mambu Bukit Bandaraya Bangsar 59100 Kuala Lumpur	Malaysian	Company Director/ Businessman
Boey Tak Kong *(Independent Non-Executive Director)*	Suite 3 Level 5 Block 693 Desa Kiara Damansara Jalan Damansara 60000 Kuala Lumpur	Malaysian	Company Director/ Management Consultant
A. Shukor Bin S.A. Karim *(Independent Non-Executive Director)*	Lot 14535 Off Jalan 5 Kemensah Heights Ulu Kelang 68000 Ampang Selangor Darul Ehsan	Malaysian	Company Director
Dato' Lai Yit Loong *(Independent Non-Executive Director)*	No. 196, 24th Floor Chung Cheng Road Section 2 Shih Lin District Taipei 111, Taiwan	Malaysian	Company Director/ Executive Vice President (Sales & Marketing)

AUDIT COMMITTEE

Name	Designation	Directorship
Boey Tak Kong	Chairman	Independent Non-Executive Director
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman	Member	Chairman/ Independent Non-Executive Director
A. Shukor Bin S.A. Karim	Member	Independent Non-Executive Director

COMPANY SECRETARY : Tai Siew May (MAICSA 7015823)

B-23A-3, The Ascent Paradigm
No.1, Jalan SS 7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. No.: 03 - 2714 6288
Fax. No.: 03 - 2714 6289

CORPORATE DIRECTORY (CONT'D)

REGISTERED OFFICE/ PRINCIPAL OFFICE	:	B-23A-3, The Ascent Paradigm No.1, Jalan SS 7/26A, Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03 - 2714 6288 Fax. No.: 03 - 2714 6289 Email: info@greenpacket.com Website: www.greenpacket.com
SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd (378993-D) Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03 - 7849 0777 Fax. No.: 03 - 7841 8151/ 8152
AUDITORS AND REPORTING ACCOUNTANTS	:	Crowe Malaysia (AF1018) *(formerly known as Crowe Horwath)* Level 16 Tower C, Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel. No.: 03 - 2788 9999 Fax. No.: 03 - 2788 9998
PRINCIPAL BANKERS	:	HSBC Bank Malaysia Berhad (127776-V) 2 Leboh Ampang 50100 Kuala Lumpur Tel. No.: 1300 88 1388 Fax. No.: 03 - 2070 1146 Alliance Bank Malaysia Berhad (88103-W) 29th Floor, Menara Multi Purpose, Capital Square, 8 Jalan Munshi Abdulah, 50100 Kuala Lumpur Tel. No.: 03 - 2604 3333 Fax. No.: 03 - 2694 9069
DUE DILIGENCE SOLICITORS	:	Chooi & Company + Cheang & Ariff Level 5, Menara BRDB 285, Jalan Maarof Bukit Bandaraya 59000 Kuala Lumpur Tel. No.: 03 - 2055 3888 Fax. No.: 03 - 2055 3880
ADVISER	:	UOB Kay Hian Securities (M) Sdn Bhd (194990-K) Suite 19-03, 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel. No.: 03 - 2147 1900 Fax. No.: 03 - 2147 1950
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

Company No. 534942-H

greenpacket

GREEN PACKET BERHAD
(Company No.: 534942-H)
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

Registered Office

B-23A-3, The Ascent Paradigm
No.1, Jalan SS 7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

1 November 2018

Board of Directors

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman *(Chairman/ Independent Non-Executive Director)*
Puan Chan Cheong *(Non-Independent Non-Executive Director)*
Tan Kay Yen *(Chief Executive Officer cum Executive Director)*
Tan Sri Dato' Kok Onn *(Non-Independent Non-Executive Director)*
Boey Tak Kong *(Independent Non-Executive Director)*
A. Shukor Bin S.A. Karim *(Independent Non-Executive Director)*
Dato' Lai Yit Loong *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 150,202,583 RIGHTS SHARES ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 5 EXISTING GPB SHARES HELD, TOGETHER WITH UP TO 450,607,749 WARRANTS ON THE BASIS OF 3 WARRANTS FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, AS AT 5.00 P.M. ON THURSDAY, 1 NOVEMBER 2018 AT AN ISSUE PRICE OF RM0.40 PER RIGHTS SHARE

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1. INTRODUCTION

On 22 June 2018, UOBKH had, on behalf of our Board, announced that we propose to undertake the Rights Issue with Warrants.

On 10 August 2018, UOBKH had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 10 August 2018, resolved to approve the following:-

(a) admission to the Official List and the initial listing of and quotation for up to 450,607,749 Warrants to be issued pursuant to the Rights Issue with Warrants; and

(b) listing of and quotation for:-

  (i) up to 150,202,583 Rights Shares to be issued pursuant to the Rights Issue with Warrants; and

  (ii) up to 450,607,749 new GPB Shares to be issued arising from the exercise of the Warrants;

on the Main Market of Bursa Securities, subject to the conditions set out below:-

	Conditions	Status of compliance
(i)	GPB and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants	To be complied
(ii)	GPB and UOBKH to inform Bursa Securities upon the completion of the Rights Issue with Warrants	To be complied
(iii)	GPB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed	To be complied
(iv)	GPB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable	To be complied

On 12 September 2018, our shareholders had approved the Rights Issue with Warrants at our EGM. A certified true copy of the resolution pertaining to the Rights Issue with Warrants which was passed at the aforesaid EGM, is set out in Appendix I of this Abridged Prospectus.

On 18 October 2018, UOBKH had, on behalf of our Board, announced that the issue price of the Rights Shares has been fixed at RM0.40 per Rights Share and the exercise price of the Warrants has been fixed at RM0.40 per Warrant. On the same date, UOBKH had also, on behalf of our Board, announced the Entitlement Date and other relevant dates pertaining to the Rights Issue with Warrants.

The admission of the Warrants to the Official List and the listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or UOBKH.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Rights Issue with Warrants

The Rights Issue with Warrants entails an issuance of up to 150,202,583 Rights Shares on a renounceable basis of 1 Rights Share for every 5 existing GPB Shares held, together with up to 450,607,749 Warrants on the basis of 3 Warrants for every 1 Rights Share subscribed for, by the Entitled Shareholders and/ or their renouncees (if applicable), on the Entitlement Date at an issue price of RM0.40 per Rights Share.

As at the LPD, our total issued share capital was RM143,663,039 comprising 751,012,919 GPB Shares (excluding 7,707,700 treasury shares). For the purpose of implementing the Rights Issue with Warrants, our Board has undertaken to ensure that our Company shall not purchase/ sell/ cancel/ distribute any GPB shares currently held as treasury shares pursuant to our Company's share buy-back programme until the completion of the Rights Issue with Warrants. In the event that all the Entitled Shareholders and/ or their renouncee(s) (if applicable) fully subscribe for their entitlements under the Rights Issue with Warrants, a total of up to 150,202,583 Rights Shares together with up to 450,607,749 Warrants will be issued. In addition, a total of up to 450,607,749 new GPB Shares will be issued upon full exercise of the 450,607,749 Warrants over the tenure of the Warrants.

The Rights Issue with Warrants has been structured on a Minimum Subscription Level basis, after taking into consideration the minimum level of funds that our Company wishes to raise from the Rights Issue with Warrants amounting to RM14,985,662 which is derived based on the minimum level of subscription of 37,464,154 Rights Shares by our Undertaking Shareholders at the issue price of RM0.40 per Rights Share. For avoidance of doubt, and as earlier contained in the circular to our shareholders dated 21 August 2018 pertaining to the Rights Issue with Warrants, our minimum subscription level basis was initially structured based on our intention to raise RM13,112,454 whereby the Undertaking Shareholders shall collectively subscribe for 37,464,154 Rights Shares entitled to them at no less than RM0.35 per Rights Share. In the aforesaid circular, our Board has also stated that in the event our Board decides to fix the final issue price of the Rights Share higher than the minimum issue price of RM0.35 per Rights Share, any additional proceeds arising thereof will be channelled towards the general working capital requirements of our Group.

Our Board, after having taking consideration the growth plans for our solutions and digital services segments, particularly to expand our product offerings beyond our conventional connectivity device offerings under the solutions segment as well as to build up and enhance our service offerings for our IoT, Fintech and Media & Contents activities under the digital services segment, details of which are further set out in Section 7.3 of this Abridged Prospectus, have decided to revise the minimum proceeds to be raised from the Rights Issue with Warrants from RM13,112,454 to RM14,985,662. Accordingly, our Board had decided to fix the issue price for the Rights Shares at RM0.40 each. As such, based on the 37,464,154 Rights Shares to be subscribed by our Undertaking Shareholders at an issue price of RM0.40 per Rights Share, we will be able to achieve the minimum level of funds that our Company wishes to raise from the Rights Issue with Warrants amounting to RM14,985,662. Further details of the intended utilisation of the proceeds to be raised from the Rights Issue with Warrants are set out in Section 4 of this Abridged Prospectus.

The actual number of the Rights Shares and the Warrants to be issued pursuant to the Rights Issue with Warrants will depend on the acceptance by the Entitled Shareholders and/ or their renouncee(s) (if applicable).

The Rights Issue with Warrants is renounceable in full or in part. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue with Warrants. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall then be entitled to the Warrants in the proportion of their acceptance of their Rights Shares entitlements. Any unsubscribed Rights Shares together with the Warrants, will be made available to other Entitled Shareholders and/ or their renouncee(s) (if applicable) under the Excess Rights Shares with Warrants application. Fractional entitlements of the Rights Shares and the Warrants arising from the Rights Issue with Warrants, if any, shall be disregarded and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company. It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner, and on a basis as set out in Section 10.8 of this Abridged Prospectus.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued upon in registered form and constituted by the Deed Poll.

As the Rights Shares and the Warrants are prescribed securities, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Shares with Warrants as well as to apply for the Excess Rights Shares with Warrants if you choose to do so.

Any dealings in our securities will be subject to, inter-alia, the provisions of the Securities Industry (Central Depositories) Act, 1991, the rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants and new GPB Shares to be allotted and issued arising from the exercise of the Warrants will be credited directly into the respective CDS Accounts of the successful applicants and shareholders who exercise the Warrants (as the case may be). However, no physical share or Warrant Certificates will be issued.

We will allot and issue the Rights Shares and the Warrants, despatch notices of allotment to the successful applicants and make an application for the quotation for the Rights Shares and the Warrants within 8 Market Days from the last date for acceptance and payment for the Rights Shares or such period as may be prescribed by Bursa Securities. The Rights Shares and the Warrants will then be listed and quoted on the Main Market of Bursa Securities 2 Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis of determining and justification for the issue price of the Rights Shares

On 18 October 2018, UOBKH had, on behalf of our Board, announced that our Board has fixed the issue price of the Rights Shares at RM0.40 per Rights Share. This represents a premium of approximately 10.25% to the 5-day VWAP of GPB Shares up to and including 17 October 2018, being the last trading day immediately preceding the price-fixing date, of RM0.3628 per GPB Share.

The issue price of the Rights Shares was determined and fixed by our Board after taking into consideration the following:-

i. the Minimum Subscription Level in order to achieve the minimum amount to be raised from the Rights Issue with Warrants of RM14,985,662, which will be channelled towards the intended utilisation in the manner as set out in Section 4 of this Abridged Prospectus;

ii. the prevailing market conditions and market prices of GPB Share; and

iii. the Entitled Shareholders and/ or their renouncee(s) (if applicable) who successfully subscribe for the Rights Shares will be issued free Warrants on the basis of 3 free Warrants for every 1 Rights Share subscribed for.

2.3 Basis of determining and justification for the exercise price of the Warrants

The Warrants attached to the Rights Shares will be issued for free to the Entitled Shareholders and/ or their renouncee(s) (if applicable) who subscribe for the Rights Shares.

On 18 October 2018, UOBKH had, on behalf of our Board, announced that our Board has fixed the exercise price of the Warrants at RM0.40 per Warrant. This represents a premium of approximately 10.25% to the 5-day VWAP of GPB Shares up to and including 17 October 2018, being the last trading day immediately preceding the price-fixing date, of RM0.3628 per GPB Share.

The exercise price of the Warrants was determined and fixed by our Board after taking into consideration the following:-

i. the Warrants will be issued for free to the Entitled Shareholders and/ or their renouncee(s) (if applicable) who successfully subscribe for the Rights Shares; and

ii. the 5-day VWAP of GPB Shares immediately preceding the price-fixing date.

2.4 Ranking of the Rights Shares and new GPB Shares to be issued arising from the exercise of the Warrants

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the Rights Shares.

The new Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the new Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the said new Shares.

2.5 Principal terms of the Warrants

The principal terms of the Warrants are set out below:-

Issue size	:	Up to 450,607,749 Warrants
Form	:	The Warrants will be issued in registered form and constituted by the Deed Poll
Exercise period	:	The Warrants may be exercised at any time within 5 years commencing on and including the date of issuance of the Warrants ("Issue Date") and ending at the close of business at 5.00 p.m. in Kuala Lumpur on a date preceding the 5th anniversary of the Issue Date, and if such a day is not a Market Day, on the immediate preceding Market Day. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid
Mode of exercise	:	The registered holder of the Warrant is required to lodge an exercise form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment of the exercise price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order drawn on a bank or a post office in Malaysia in accordance with the Deed Poll
Exercise price	:	RM0.40 per Warrants, which is subject to adjustments in accordance with the provisions of the Deed Poll
Exercise rights	:	Each Warrant carries the entitlement, at any time during the exercise period, to subscribe for 1 new Share at the exercise price, subject to adjustments and the provisions and conditions of the Deed Poll

Board lot	:	For the purpose of trading on Bursa Securities, 1 board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities
Ranking of New Shares	:	The new Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the new Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the said new Shares
Participating rights of the holders of Warrants in any distribution and/ or offer of further securities	:	The Warrant holders are not entitled to vote in any general meeting of the Company and/ or to participate in any distribution other than on winding-up, compromise or arrangement of the Company and/ or offer of further securities in the Company unless and until the holder of Warrants becomes a shareholder of the Company by exercising his/ her Warrants into new Shares or unless otherwise resolved by the Company in a general meeting
Adjustments in the exercise price and/ or number of unexercised Warrants	:	The exercise price and/ or number of unexercised Warrants shall from time to time be adjusted, amongst others, in the event of alteration to the share capital of the Company, capitalisation of profits or reserves, capital distribution or issue of shares in accordance with the provisions of the Deed Poll. If the Company in any way modify the rights attached to any share or loan capital which is not described in the Deed Poll so as to convert or make convertible such share or loan capital into, or attached thereto any rights to acquire or subscribe for new shares, the Company must appoint the adviser or the auditors (who shall act as experts) to consider whether any adjustment is appropriate, and if the directors of the Company after such consultation determines that any adjustment is appropriate, the exercise price or the number of Warrants or both, will be adjusted accordingly
Rights in the event of winding-up, liquidation, compromise and/ or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then every holder of Warrants shall be entitled upon and subject to the provisions of the Deed Poll at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within 6 weeks after the granting of the court order approving the compromise or arrangement (whichever is later), by irrevocable surrender of his/ her Warrants to the Company, elect to be treated as if he/ she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/ her Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of the Company which would be available in liquidation as if he/ she had on such date been the holder of the new Shares to which he/ she would have been entitled to pursuant to such exercise
Listing status	:	Warrants shall be listed and quoted on the Main Market of Bursa Securities

Modifications	:	Save for manifest error, any modification, amendment, deletion or addition to the Deed Poll shall require the approval of the holders of Warrants sanctioned by ordinary resolution and may be effected only by a supplemental deed poll, executed by the Company and expressed to be supplemental hereto and subject to the approval of the relevant authorities, if necessary
Governing law	:	Laws and regulations of Malaysia

2.6 Details of other corporate exercises

As at the LPD, save as disclosed below and for the Rights Issue with Warrants (being subject matter of this Abridged Prospectus), our Board confirms that there are no other outstanding corporate exercises which have been announced and/ or approved by the regulatory authorities but pending completion:-

On 29 June 2018, RHB Investment Bank Berhad had, on behalf of our Company, announced that our Company proposed to undertake the following:-

i. a capital reduction exercise pursuant to Section 116 of the Act to reduce the issued share capital of GPB by an amount equivalent to the entire accumulated losses of GPB as at 31 December 2017 to offset the credit arising from such accumulated losses ("Capital Reduction"); and

ii. establishment and implementation of a share grant scheme of up to 15% of the total number of issued shares of GPB (excluding treasury shares) at any point in time during the duration of the share grant scheme to the eligible employees of GPB Group ("SGS").

Our shareholders had approved both the Capital Reduction and the SGS at our EGM on 12 September 2018. Our Board intends to effect the Capital Reduction and the SGS after the completion of the Rights Issue with Warrants. For information purpose, as the Capital Reduction and the SGS are intended to be effected subsequent to the completion of the Rights Issue with Warrants, the Capital Reduction and the SGS will not have any effect on the Rights Issue with Warrants. The Capital Reduction merely entails the reduction of RM455,515,247 in our issued share capital to offset our accumulated losses of RM455,515,247 at company level as at 31 December 2017, and will not result in any change to the total number of Shares in issue. Meanwhile, the SGS serves as a long-term incentive plan to motivate, reward and retain our eligible employees who can then be aligned with the interest of our Group's business objectives. We wish to reiterate that both the Capital Reduction and the SGS will only be effected after the completion of the Rights Issue with Warrants. Premised on this, the Capital Reduction and the SGS will not have any effect on the Rights Shares to be issued arising from the Rights Issue with Warrants. Purely for illustrative purpose, the pro forma effects of the Rights Issue with Warrants on the issued share capital, NA per Share and gearing, and earnings and EPS of our Group as presented in Sections 8.1, 8.2 and 8.3 of this Abridged Prospectus have also taken into consideration the effects of the aforementioned Capital Reduction and SGS, where relevant.

3. IRREVOCABLE AND UNCONDITIONAL UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

Our Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level via the issuance of 37,464,154 Rights Shares to be subscribed by the Undertaking Shareholders, after taking into consideration the minimum level of funds of RM RM14,985,662 that our Company wishes to raise from the Rights Issue with Warrants, of which such proceeds will be channelled towards the intended utilisation in the manner as set out in Section 4 of this Abridged Prospectus.

In order to meet the Minimum Subscription Level, certain of our substantial shareholders, namely GPHL and CC Puan (or otherwise collectively known as the Undertaking Shareholders), had provided their respective irrevocable undertakings vide their letters dated 22 June 2018, which were further supplemented by their respective revised irrevocable undertakings vide their letters dated 18 October 2018, as follows:-

i. GPHL

GPHL will subscribe **in full** for its entitlements under the Rights Issue with Warrants based on its shareholdings as at 18 October 2018 (being the date of its supplemental undertaking letter) at an issue price of RM0.40 per Rights Share. GPHL has also undertaken that it will neither purchase nor dispose any GPB Shares prior to the completion of the Rights Issue with Warrants.

In this respect, based on its shareholdings of 141,000,000 GPB Shares as at the LPD, GPHL will fully subscribe for its entitlement of 28,200,000 Rights Shares under the Rights Issue with Warrants.

ii. CC Puan

CC Puan will subscribe a **minimum** of 9,264,154 Rights Shares under the Rights Issue with Warrants to primarily meet our Company's objective of raising the minimum level of funds required amounting to RM14,985,662 (which is derived from subscription portions from both GPHL and CC Puan pursuant to their undertakings under the Minimum Subscription Level) at an issue price of RM0.40 per Rights Share.

For avoidance of doubt, CC Puan's full entitlement of the Rights Shares under the Rights Issue with Warrants amounts to 15,264,154 Rights Shares, based on his shareholdings of 76,320,770 GPB Shares as at 18 October 2018 (being the date of his supplemental undertaking letter). Hence, this does not preclude CC Puan from subscribing up to his full entitlement of 15,264,154 Rights Shares under the Rights Issue with Warrants during the subscription stage provided that the eventual aggregate shareholdings of the Undertaking Shareholders and the PAC will collectively not exceed 33% of the enlarged issued shares in GPB upon completion of the Rights Issue with Warrants. Premised on this, CC Puan shall be mindful of his aforesaid undertakings when subscribing for his actual portion of Rights Shares under the Rights Issue with Warrants.

CC Puan has also undertaken that he will neither purchase nor dispose any GPB Shares prior to the completion of the Rights Issue with Warrants.

A summary of the Undertakings (under the Minimum Scenario) is set out below:-

Undertaking Shareholders	**Shareholdings as at the LPD**		**Rights Shares to be subscribed under the Undertakings**		**Shareholdings after the Undertakings**		**Funding required**	**Entitled free Warrants**
	No. of Shares	**%*1**	**No. of Rights Shares**	**%*3**	**No. of Shares**	**%*4**	**RM*5**	**No. of Warrants**
GPHL	141,000,000	18.77	28,200,000	75.27	169,200,000	21.46	11,280,000	84,600,000
CC Puan	76,320,770	10.16	9,264,154*2	24.73	85,584,924	10.85	3,705,662	27,792,462
Total	**217,320,770**	**28.94**	**37,464,154**	**100.00**	**254,784,924**	**32.31**	**14,985,662**	**112,392,462**

Notes:-

*1 Computed based on our total issued shares of 751,012,919 Shares (excluding treasury shares) as at the LPD

*2 Represents the minimum no. of Rights Shares to be subscribed by CC Puan pursuant to his undertaking under the Minimum Subscription Level

*3 Computed based on 37,464,154 Rights Shares available for subscription under the Minimum Scenario

*4 Computed based on our enlarged issued shares of 788,477,073 Shares (excluding treasury shares) upon the completion of the Rights Issue with Warrants under the Minimum Scenario

*5 Based on the issue price of RM0.40 per Rights Share

For information purpose, the effects under the Maximum Scenario are not illustrated hereinabove as the Rights Issue with Warrants under this scenario will not have any effect on the percentage of the shareholders' shareholdings pursuant to the Rights Issue with Warrants, as the Rights Shares are assumed to be fully subscribed by all the Entitled Shareholders on a pro-rata basis.

The Undertaking Shareholders have confirmed that they have sufficient financial resources to fulfil their respective Undertakings. The said confirmations have been verified by UOBKH, being the adviser for the Rights Issue with Warrants.

As the Rights Issue with Warrants has been structured on a Minimum Subscription Level basis, we will not procure any underwriting arrangement for the remaining portion of the Rights Shares which are not subscribed for by other Entitled Shareholders.

After taking into consideration the Undertakings, the subscription of the Rights Shares by the Undertaking Shareholders under the Minimum Scenario will not give rise to any mandatory general offer obligation pursuant to the Rules. Upon completion of the Rights Issue with Warrants (but before exercise of the Warrants) under the Minimum Scenario, the aggregate shareholdings of the Undertaking Shareholders and the PAC, namely Tan Sri Dato' Kok Onn, in GPB may increase from approximately 29.62% to 32.96% (excluding treasury shares), of which is illustrated in the following table:-

	Shareholdings as at LPD		I After the Rights Issue with Warrants		II After I and assuming full exercise of Warrants	
	No. of Shares (direct)	**%*1**	**No. of Shares (direct)**	**%*2**	**No. of Shares (direct)**	**%*3**
Undertaking shareholders						
GPHL	141,000,000	18.77	169,200,000	21.46	253,800,000	28.17
CC Puan	76,320,770	10.16	85,584,924	10.85	113,377,386	12.59
	217,320,770	**28.94**	**254,784,924**	**32.31**	**367,177,386**	**40.76**
PAC						
Tan Sri Dato' Kok Onn	5,143,800	0.68	5,143,800*4	0.65	5,143,800*4	0.57
	222,464,570	**29.62**	**259,928,724**	**32.96**	**372,321,186**	**41.33**

Notes:-

*1 Computed based on 751,012,919 GPB Shares in issue (excluding treasury shares) as the LPD

*2 Computed based on 788,477,073 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants under the Minimum Scenario

*3 Computed based on 900,869,535 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Minimum Scenario

*4 Strictly illustrated based on Minimum Scenario whereby only the Undertaking Shareholders subscribe for their Undertakings. This however does not preclude Tan Sri Dato' Kok Onn from subscribing up to his full entitlement of 1,028,760 Rights Shares under the Rights Issue with Warrants during the subscription stage provided that the eventual aggregate shareholdings of the Undertaking Shareholders and the PAC will collectively not exceed 33% of the enlarged issued shares in GPB upon completion of the Rights Issue with Warrants. Premised on this, Tan Sri Dato' Kok Onn shall be mindful at all times before subscribing for his actual portion of Rights Shares under the Rights Issue with Warrants

Based on the aforementioned, the Undertakings will not result in the triggering of any obligation by the Undertaking Shareholders to undertake a mandatory general offer for all the remaining GPB Shares not already held by them and the PAC upon completion of the Rights Issue with Warrants (but before exercise of the Warrants) in the event of a Minimum Scenario.

Further, based on the table above and assuming the full exercise of the Warrants held by the Undertaking Shareholders under the Minimum Scenario, the aggregate shareholdings of the Undertaking Shareholders and the PAC in GPB may further increase from approximately 32.96% to 41.33% (excluding treasury shares). Such exercise of the Warrants held by the Undertaking Shareholders may result in the shareholdings of the Undertaking Shareholders and the PAC collectively exceeding 33% of the enlarged issued shares in GPB. Pursuant to the Rules, the Undertaking Shareholders would, in such event, be obliged to extend a mandatory take-over offer for all the remaining GPB Shares and Warrants not already owned by them and the PAC. However, it is not the intention of the Undertaking Shareholders to undertake a mandatory take-over offer in such event. In this regards, the Undertaking Shareholders shall observe at all times when dealing in their Warrants to avoid triggering such obligation to extend the mandatory take-over offer. In addition, should the need arises, the Undertaking Shareholders may make an application to the SC to seek an exemption under Paragraph 4.08 of the Rules from the obligation to extend the said mandatory take-over offer, the application of which may be made at a later date but prior to triggering the mandatory take-over offer obligation.

For information purpose, the Maximum Scenario will not result in the Undertaking Shareholders having to trigger any obligation to undertake a mandatory general offer as there will not be any effect on the percentage of the shareholders' shareholdings given that the Rights Shares are assumed to be fully subscribed by all the Entitled Shareholders on a pro-rata basis, and accordingly such scenario is not illustrated hereinabove.

In addition, our public shareholding spread is not expected to fall below the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements pursuant to the implementation of the Rights Issue with Warrants. We illustrate the effect of the Rights Issue with Warrants (under the Minimum Scenario) on our public shareholding spread in the following table:-

			I		**II**	
	As at LPD		**After the Rights Issue with Warrants**		**After I and assuming full exercise of Warrants**	
	No. of Shares (direct)	**%**	**No. of Shares (direct)**	**%**	**No. of Shares (direct)**	**%**
Share capital*1	751,012,919	100.00	788,477,073	100.00	900,869,535	100.00
Less:						
Directors'/ substantial shareholders'/ associates' shareholdings	224,414,570	29.88	261,878,724	33.21	374,271,186	41.55
Public shareholdings	**526,598,349**	**70.12**	**526,598,349**	**66.79**	**526,598,349**	**58.45**

Note:-

*1 Excluding treasury shares

Based on the table above, we will still be in compliance with the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirement. Upon completion of the Rights Issue with Warrants (but before the exercise of Warrants) under the Minimum Scenario, our public shareholding spread may reduce from approximately 70.12% to approximately 66.79% (excluding treasury shares). Thereafter, assuming full exercise of the Warrants held by the Undertaking Shareholders under the Minimum Scenario, our public shareholding spread may further reduce from approximately 66.79% to approximately 58.45% (excluding treasury shares).

For information purpose, the Maximum Scenario will not have any effect on the public shareholding spread as there will not be any effect on the percentage of the shareholders' shareholdings given that the Rights Shares are assumed to be fully subscribed by all the Entitled Shareholders on a pro-rata basis, and accordingly such scenario is not illustrated hereinabove.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.40 per Rights Share, the total gross proceeds that is expected to be raised from the Rights Issue with Warrants and the intended utilisation are set out below:-

	Timeframe for utilisation from the completion date of the Rights Issue with Warrants	**Minimum Scenario**		**Maximum Scenario**	
		RM'000	**%**	**RM'000**	**%**
Purchase of trade equipment*1	Within 24 months	11,700	78.1	25,935	43.2
Future viable investment*2	Within 24 months	-	-	10,000	16.6
Working capital for media and digital services*3	Within 24 months	-	-	10,000	16.6
Working capital for Fintech solutions*4	Within 24 months	-	-	5,000	8.3
General working capital*5	Within 24 months	2,486	16.6	8,346	13.9
Estimated expenses*6	Upon completion	800	5.3	800	1.3
Total gross proceeds		**14,986**	**100.0**	**60,081**	**100.0**

We are principally involved in the business of investment holdings, research, development, marketing and distribution of wireless networking and telecommunication, media and IoT products, communication services, consumer digital services and other high technology products and services. Overall, our principal activities are typically categorised into the following 3 core business segments:-

GPB Group

Communications	**Solutions**	**Digital Services**
Provision of total communication services, solutions and products.	Research, development, marketing and distribution of wireless networking and telecommunication, media and IoT solutions which include equipment and software solutions.	Provision of Fintech, IoT, and media digital services and contents.
⇩	⇩	⇩
Focused on the international wholesale of voice minutes and data bandwidth, by providing cost effective voice and data interconnection services to the local and international telecommunications operators.	Focused on offering (i) indoor and outdoor modem devices for fixed voice and wireless broadband connectivity, and also Wi-Fi devices; (ii) fleet management solution under "Roadmio" brand through its range of IoT products such as OBD-II and TPMS; and (iii) home entertainment solutions through its range of CPE and media products such as STB and streaming device.	Focused on continuous innovation and development of (i) IoT services such as connected vehicle solutions; (ii) Fintech platforms under "kiplePay" brand offering services such as payment gateway, e-wallet, loyalty & rewards program, cashless parking application and resident management platform application; and (iii) mobile or media platform comprising digital content offerings such as mobiles games, video, music and e-books which are catered to the telecommunication operators to facilitate its service offerings to its subscribers.

The communications segment remains our main revenue contributor, followed by the solutions segment and digital services segment. Based on our latest audited consolidated financial statements as at 31 December 2017 which posted a total revenue of RM358.94 million, the communications segment recorded a revenue of RM256.02 million (71.33%), whilst the solutions segment and digital services segment recorded revenue of RM101.19 million (28.19%) and RM1.73 million (0.48%) respectively.

As observed herein this section, we intend to mainly utilise the proceeds under the Rights Issue with Warrants to fund the expansion of our **solutions** and **digital services** segments. Both our communications and solutions segments have been around since 2006 and 2003, respectively, whilst we had introduced our digital services segment in 2017 following our investment in the Fintech business via the deployment of our payment gateway services under the brand of "kiplePay" to the Malaysian market. For avoidance of doubt, notwithstanding that the communications segment has been the main revenue contributor to our Group, we intend to accelerate our overall business growth via the expansion of our **solutions** and **digital services** segments.

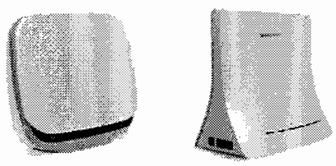
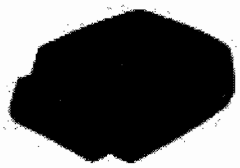
Notes:-

*1 We intend to utilise the proceeds earmarked for the purchase of the following trade equipment under our solutions business segment in the following manner:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
CPE devices such as optical modems and ONTs, and media devices such as STB, OTT or casting device, and media home gateway	7,605	20,475
IoT devices such as OBD-II and TPMS	4,095	5,460
Total	**11,700**	**25,935**

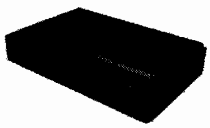
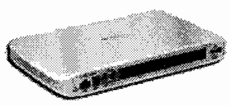
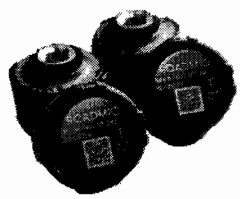
The purchase of the abovementioned trade equipment will enable us to expand our base inventory consisting of both existing and new trade equipment ranging from CPE and media devices used for home internet connectivity and entertainment solutions to IoT devices used for connected on-board vehicle diagnostic and tracking and also fleet management solutions.

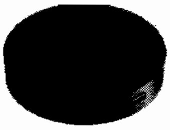
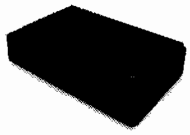
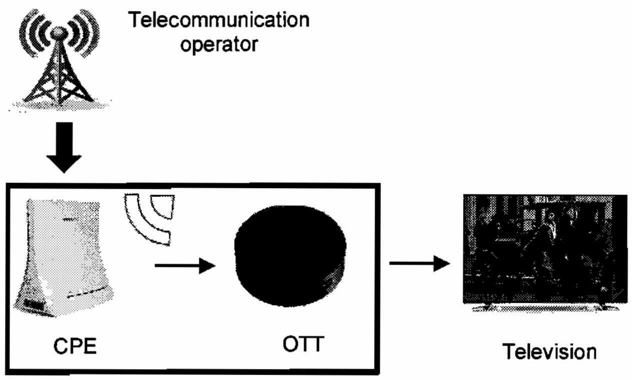
Our current product offering entails the existing trade equipment comprising mainly of conventional connectivity/ IoT devices such as optical modems and OBD-II, as depicted below:-

CPE and media device	IoT device
 Optical modem	 OBD-II

Under our current product offering, the optical modem is mainly targeted at end-users for home internet connectivity purpose, whilst the OBD-II is mainly targeted at enterprises who manage a fleet of vehicles for vehicle tracking and monitoring purpose. Once installed in the vehicle, OBD-II users can access via its smartphone or any internet device to the vehicle information in real time.

In addition to our current product offering as mentioned above, we also intend to expand our product offerings to include newer range of trade equipment, such as ONTs, OTT or casting device, media home gateway and TPMS, as depicted below:-

CPE and media device		IoT device
 STB	 ONTs	 TPMS

CPE and media device (cont'd)	
  OTT or casting device STB with OTT function  Media home gateway	

Under our new range of product offering, the CPE and media devices are mainly targeted at end-users for home internet connectivity and entertainment solutions, whilst the IoT devices, namely TPMS, can be targeted at individuals, and enterprises who manage a fleet of vehicles for purpose of monitoring the air pressure of a tire. Once installed in the vehicle's tire, TPMS users can access via its smartphone or any internet device to the vehicle's tire information in real time.

Under the Minimum Scenario, we intend to utilise approximately RM11.70 million for the purchase of about 130,000 CPE and media devices, and about 15,000 IoT devices. Under the Maximum Scenario, we intend to utilise approximately RM25.94 million for the purchase of about 350,000 CPE and media devices, and about 20,000 IoT devices. The aforesaid quantities is estimated based on the product volume comprised in our current tenders submitted and also on-going negotiations held with our customers, who mainly comprised the telecommunication companies/ operators and media companies. At this juncture, we are in the midst of sales and/ or tendering negotiations with 20 potential customers for our CPE and media devices, and also with 23 potential customers for our IoT devices.

For information purpose, we are involved in the product conceptualisation, research and development, design, integration, customisation and testing of our solutions devices, whereas the assembly and manufacturing capabilities are outsourced to external OEM manufacturers which have been identified and commissioned by us. Based on the tenders submitted and/ or on-going negotiations with our customers, we will estimate and purchase certain quantities of these end products from the OEM manufacturers on an upfront basis to be established as our base inventory, which in turn will be readily marketed, sold and/ or delivered to our customers. This serves to facilitate the early delivery of our initial batch of devices to our customers once sales orders are procured, hence fulfilling their orders in a timely manner. By also having a readily available base inventory, we are able to market, sell and/ or deliver these devices to our customers without having being subject to long delivery lead time which may take several months from the placement of order with the OEM manufacturers to commencement of production and up to the delivery stage.

Subsequently, the purchase of the end products from the OEM manufacturers may take place progressively as and when we procured more sales orders from our customers, and in this case the product delivery to our customers may stagger in batches depending on the product volume required by our customers from time to time.

The actual proceeds to be utilised for the purchase of these CPE, media and IoT devices may be adjusted between the difference mix of trade equipment to be purchased as base inventory, which depends on the future orders to be secured and variation in price of the equipment. Such variation in price is subject to market price of the costs of components and foreign exchange rate.

*2 Apart from expanding our business organically, we may also expand inorganically, via joint venture, collaborative arrangements, business agreements, and/ or mergers and acquisitions of businesses or investments that will be in the same industry to that of our existing business. In line with the above, up to RM10.00 million of the proceeds which may be raised from the Rights Issue with Warrants shall be utilised to finance any suitable and viable potential business(es)/ investment(s), within 24 months from completion of the Rights Issue with Warrants. As potential acquisition(s) of business(es)/ investment(s) may cost a substantial amount, the proceeds raised from the Rights Issue with Warrants may allow us to capitalise on suitable and viable investment opportunities as and when it arises, which in turn may generate positive returns to our Group in the future.

As at the LPD, our management is still exploring options for identifying suitable business(es)/ investment(s) or strategic acquisition(s)/ collaboration(s) and will continuously seek and identify such opportunities. We shall make the necessary announcements in accordance with the Listing Requirements as and when new business(es)/ investment(s) which are likely to materialise have been identified by us. If the nature of the transaction requires shareholders' approval pursuant to the Listing Requirements, we will seek the necessary approval from our shareholders.

Once our management has identified any suitable business(es)/ investment(s) or strategic acquisition(s), our management will firstly present the proposal to our Audit Committee for their review, deliberation and approval. Upon procuring the approval from our Audit Committee, only then our management will present the proposal to our Board for their review, deliberation and approval.

Pending utilisation of the proceeds for the above purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments under a separate bank account from other proceeds earmarked for other utilisation purposes set out in Section 4 of this Abridged Prospectus. Accordingly, any form of utilisation of the proceeds from this account is subject to the approval of our Audit Committee and our Board, in manner as set out in the above paragraph.

In the event we are unable to identify any suitable and viable business(es)/ investment(s) within the timeframe stipulated (or any extended timeframe, if applicable), the proceeds allocated for future viable investments which is placed under a separate bank account shall be transferred to the general working capital purposes of our Group, which include amongst others, repayment to trade creditors and other operating expenses such as utilities, administrative overheads, and office expenses, which are intended to be utilised in the following manner:-

	Minimum Scenario RM'000	**Maximum Scenario RM'000**
Repayment to trade creditors	-	6,000
Administrative overheads such as staff related cost (i.e. salary, allowance, travelling and training), and printing and stationery	-	2,500
Utility expenses such as water and electrical charges		750
Office expenses such as general upkeep of office	-	750
Total	**-**	**10,000**

In any event our Board wishes to vary the utilisation of proceeds for the aforesaid purpose of general working capital requirements of our Group, we shall make the necessary announcements and/ or seek the approval from our shareholders in accordance with Paragraph 8.22 of the Listing Requirements in the event of a material variation. Accordingly, we will also seek the approval of our Audit Committee prior to utilising the proceeds for the above purpose, if applicable.

*3 We intend to utilise the proceeds earmarked for the working capital for the media and digital services under our digital services business segment in the following manner:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Mobile entertainment service platform and distribution channels	-	5,000
Digital contents and services for "VivoBee" application	-	5,000
Total	**-**	**10,000**

i. Mobile entertainment service platform and distribution channels

We aim to raise up to RM5.00 million from the Rights Issue with Warrants to fund the working capital required to primarily develop and market our mobile entertainment service platform(s), in the following manner:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Marketing and advertising costs to enable the mobile contents to be marketed to mobile or internet users via various social media streams	-	3,000
Staff and administrative expenses to develop and support the operation of the mobile entertainment service platform	-	1,000
Customisation and integration works with our customers' platform to facilitate service offerings and revenue settlement	-	1,000
Total	**-**	**5,000**

Our mobile entertainment service platform is intended to comprise a host of digital contents including but not limited to, games, videos, music, image and animation. As part of our growth plan in the digital services segment, we intend to collaborate with mobile content provider(s) to undertake the business related to the offering of such digital contents to the ASEAN market, particularly focusing on Malaysia, Thailand, Indonesia and Philippines. On 3 July 2018, NGT Networks Pte Ltd, our wholly-owned subsidiary company, had via a joint venture agreement collaborated with Funsea Entertainment Co Ltd (a provider of entertainment content offering a range of games, videos, music, literature, image, animation and others) to undertake the business and/ or projects related to offering digital contents of among others, games, movies and music and other businesses in relation thereto to the carrier and/ or telecommunications operators or master content provider in the countries in the ASEAN region, particularly Malaysia, Thailand, Indonesia and Philippines.

Under the joint venture, we shall mainly be responsible for the sales, business and administration support to primarily develop and market the digital contents, whilst Funsea Entertainment Co Ltd shall mainly be responsible for providing its own digital contents and/ or procure third party contents on best effort basis. As such, we plan to source the digital contents from our joint venture partner to be embedded into our mobile entertainment service platform, and thereafter we shall market our platform to potential customers mainly comprising of telecommunication operators.

At this juncture, we are engaged in trial testing on the integration works of our mobile entertainment service platform with 2 local telecommunication operators which we aim to secure their acceptances by the first quarter of 2019. Upon the completion of trial testing, we will then undertake further business development activities such as marketing and integration works as further described hereinabove in our purpose of utilisation of proceeds for the development of mobile entertainment service platform.

For avoidance of doubt, our mobile entertainment service platform forms part of our service offerings catered to our customer base of telecommunication operators. By combining such service offerings with its ready broadband infrastructure, the telecommunication operators can take the opportunity to offer more compelling proposition to retain and/ or attract more subscriber base to their broadband products and services. For avoidance of doubt, we shall mainly develop and market the mobile entertainment service platform, and that such digital contents to be hosted on our platform are neither produced nor owned by our Group, and shall instead be sourced from external mobile content providers via collaboration efforts.

ii. Digital contents and services for "VivoBee" application

We aim to raise up to RM5.00 million from the Rights Issue with Warrant to fund the working capital required to enhance our "VivoBee" application, in the following manner:-

	Minimum Scenario RM'000	**Maximum Scenario RM'000**
Integration and customisation works entailing amongst others, research and development cost, procuring of rights to third party contents, professional and/ or consultant fees, which is overall aimed at integrating the digital contents into the "VivoBee" application	-	1,500
Marketing costs entailing amongst others, distribution costs, agents fees and other promotional costs, for the purpose of carrying out more promotional activities to increase our subscriber base	-	1,500
Staff development and administrative expenses entailing amongst others, business, administrative and marketing staff support, travelling and claims, and office expenses, to support the operation and maintenance of platform features	-	1,200
Equipment/ software costs entailing amongst others, investing in routers and servers and/ or security risk management software suite, to support storage capacity requirement and enhance the overall platform functionality	-	800
Total	**-**	**5,000**

The "VivoBee" application is our in-house e-service platform which we launched in 2017, and is mainly targeted at migrant worker segment. The "VivoBee" application provides the migrant workers with a variety of service offerings including international voice call, overseas bill payment and remittance service, mobile reload and data bundles. As part of continuous enhancement in our service offering to actively maintain user engagement for our "VivoBee" application, we plan to introduce and integrate more digital contents and services (such as video, drama, internet based media contents and other entertainment contents) into "VivoBee".

*4 We intend to utilise the proceeds of up to RM5.00 million earmarked for the working capital for the Fintech solutions under our digital services business segment, for the following:-

i. RM3.00 million for the enhancement and upgrading of the financial services and payment gateway solutions under the brand of "kiplePay". For information purpose, we have rolled-out our payment gateway under the brand "Webcash" since January 2017, and have subsequently enhanced and rebranded our payment gateway service to its present name of "kiplePay" in November 2017. The "kiplePay" payment gateway solutions allow consumers to make payment online via various payment channels such as e-wallet, credit card and debit card for the purchase of goods and services. The primary market of the "kiplePay" payment gateway solutions is the online payment market, of which the potential customers can come from small to large enterprises across various sectors in Malaysia. As at the LPD, our "kiplePay" suite of payment gateway solutions caters to 3 different types of target market, namely "kiplePark" (parking), "kipleHome" (building management) and "kipleSchool" (education). The proceeds earmarked for the enhancement and upgrading works to continuously develop better application features for these payment gateway solutions shall further be utilised in the following manner:-

(a) RM1.50 million for the enhancement and upgrading works (entailing amongst other, customisation works for specific functions and application requirement for enterprise customers, integration works from our payment gateway to the customer system, as well as undertaking trial deployment works at customer's premise) for our "kiplePay" suite of payment gateway solutions.

Out of the RM1.50 million, we intend to utilise RM0.50 million for the aforesaid purposes in respect of each of the following "kiplePay" suite:-

- kiplePark : Payment solutions for parking operation, particularly targeted at in-building and open parking of office buildings, shopping malls and other commercial buildings.

  Since early 2018, our "kiplePark" solutions have been adopted and implemented in 2 parking site locations within Klang Valley via agreements with the carpark operators.

- kipleHome : Payment solutions for building management, particularly targeted at property management office of condominiums and gated residential communities.

  Our "kipleHome" solutions are currently being implemented in 20 condominiums within Klang Valley after having signed on-board the relevant building managements in early 2018.

- kipleSchool : Payment solutions for education sector, particularly targeted at universities and colleges.

  For our "kipleSchool" solutions, we are currently in the midst of negotiation with 2 local universities to enter into commercial agreements for the purpose of rolling-out such solutions.

(b) RM1.50 million for the enhancement works of the cyber security (by investing in security software suites and/ or security risk management solutions to increase the safety and security of payment gateway), processing and storage capacity (by investing in routers and servers to maintain the capacity upkeep), and the data analytics capability (by investing in data analytics software or solutions to increase gateway efficiency) of the applications and payment gateway under the "kiplePay" brand; and

ii. RM2.00 million for marketing purpose catered for our full suite of "kiplePay" payment gateway services. Of the said amount, we have earmarked RM1.00 million to undertake social media-based advertising and promotional activities as well as RM1.00 million for rebates purposes, both of which are aimed towards attracting and incentivising more users and merchants to adopt the "kiplePay" mobile payment solutions.

In the future, we may invest further into the business development, enhancement and upgrading of our payment gateway solutions subject to the market demand and growth potential for our payment gateway services, and that any such future investment may be funded via internally generated funds and/ or bank borrowings and/ or other funding alternatives such as fund raising exercises.

For information purpose, we, via our indirect wholly-owned subsidiary company, namely Webonline Dot Com Sdn Bhd, is a Bank Negara Malaysia e-wallet licensed holder.

*5 The proceeds for general working capital will be utilised to finance the day-to-day operations of our Group and is estimated to be utilised in the following manner:-

	Minimum Scenario RM'000	**Maximum Scenario RM'000**
Repayment to trade creditors	1,874	7,734
Other operating expenses (i.e. utilities, administrative overheads such as staff related cost, printing and stationery, as well as office expenses such as general upkeep of office)	612	612
Total	**2,486**	**8,346**

*6 The proceeds earmarked for estimated expenses in relation to the Rights Issue with Warrants shall be utilised as follows:-

	RM'000
Professional fees (i.e. adviser, reporting accountant and due diligence solicitors)	470
Regulatory fees	110
Other incidental expenses such as printing and advertising costs and miscellaneous expenses in relation to the Rights Issue with Warrants	220
Total	**800**

The actual proceeds to be raised from the Rights Issue with Warrants will depend on the subscription level of the Rights Shares. In the event that the actual amount of proceeds raised is lower than the maximum amount of proceeds of RM60.08 million that can be raised under the Maximum Scenario, the actual proceeds will be allocated in the following priority:-

a. Purchase of trade equipment;
b. Working capital for media and digital services;
c. Working capital for Fintech solutions;
d. Future viable investment; and
e. General working capital

In the event of a shortfall in the actual amount of proceeds raised under the Maximum Scenario, and that such proceeds arising therefrom are not sufficient to be utilised for any of the purposes above, our Company shall seek other source of financing such as bank borrowings.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional general working capital for our Group.

The exact quantum of proceeds that may be raised from the exercise of the Warrants will depend upon the actual number of Warrants as and when exercised during the tenure of the Warrants. As such, the exact timeframe for utilisation of the proceeds from the exercise of the Warrants is not determinable at this juncture. Such gross proceeds to be raised shall be utilised as additional general working capital to finance our Group's day-to-day operations including amongst others, repayment to trade creditors, sales and marketing expenses and other operating expenses (i.e. staff costs, utilities, administrative overheads and office expenses), the breakdown of which have not been determined at this juncture.

For illustrative purposes only, the gross proceeds expected to be raised upon the full exercise of the Warrants based on the exercise price of RM0.40 per Warrant under the Minimum Scenario and Maximum Scenario are set out below:-

	Minimum Scenario	**Maximum Scenario**
No. of Warrants	112,392,462	450,607,749
Total gross proceeds raised assuming the full exercise of Warrants over the tenure of the Warrants (RM)	44,956,985	180,243,100

5. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants is undertaken to raise proceeds to be utilised in the manner as set out in Section 4 of this Abridged Prospectus. After due consideration of the various options available as well as our capital structure, our Board is of the opinion that the Rights Issue with Warrants is the most appropriate means of raising funds for the following reasons:-

i. The Rights Issue with Warrants will involve the issuance of new GPB Shares without diluting the existing shareholders' percentage shareholdings provided that all the Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants;

ii. The Rights Issue with Warrants will provide the Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares; and

iii. The Rights Issue with Warrants will strengthen our financial position with enhanced shareholders' funds and reduced gearing level as compared to bank borrowings which are expected to facilitate the continuous long-term growth and expansion plans of our Group.

Further, the Warrants to be issued pursuant to the Rights Issue with Warrants are expected to provide an incentive to the Entitled Shareholders and/ or their renouncees (if applicable) to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders and/ or their renouncees (if applicable) who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants. We would also be able to raise additional proceeds as and when the Warrants are exercised.

6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you and/ or your renouncees (if applicable) should consider carefully the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue with Warrants.

6.1 Risks relating to our Group

6.1.1 Business and operational risks

Our Group is subject to certain risks inherent in the ICT industry that include, amongst others, competition from existing players, entry of new players, availability of skilled workforce, introduction of new technological products and services, increase in staff cost, increase in cost of raw materials, as well as changes in government policies and/ or rules and regulations which may affect the industries we operate in and changes in general economic, business and credit conditions.

Amongst the notable business and operational risks inherent to our Group are the competition risk and the introduction of new technological products and services, in view that our business growth depends mainly on our ability to compete successfully and to continue introducing new or enhanced products and services in a timely manner to the market. As a result, we commit substantial amount of our investment, time and effort in the design, development, innovation and marketing of our products and services. Such process is often complex, time-consuming and costly, and at times unpredictable. If we are unable to introduce our products and services in a timely manner, our ability to maintain a competitive edge could be adversely affected. We face competition from companies that may develop designs/ products, features or services that are similar to/ better than our offerings or that can achieve greater market acceptance, and this may result in our customers switching to use other competitors' products. As such, the occurrence of any of these circumstances may hinder our business growth.

There is no assurance that any changes to the abovementioned risk factors will not have a material adverse effect on our Group's business in future.

6.1.2 Product performance

Our financial performance will substantially depend on market acceptance of our products (i.e. hardware and software) including but not limited to CPE, media and IoT devices, mobile entertainment service platform and kiplePay payment gateway solutions. There can be no assurance that our products will satisfactorily perform the functions for which they are designed, that they will meet the applicable price or performance objectives, or that the market will be receptive to them and they will be commercially viable or successful or that unanticipated technical or other problems will not occur which would result in increased in costs or material delays in the development thereof.

Furthermore, our products (i.e. hardware and software) as developed by our Group may contain errors or failure when installed, updated or enhanced. There can be no assurance that, despite testing by our Group and by current and potential end users, errors will not be found in new products after the delivery by us, resulting in loss or delay in market acceptance.

6.1.3 Introduction of new technological products and services

The markets for our Group's products and services are characterised by rapid technological changes, evolving industry standards, changing ICT operating environments, shifting customer needs and frequent introduction of new products and services. To achieve market acceptance for our products, we must effectively anticipate and offer product or service offerings that meet the customers' demand in a timely manner. Furthermore, we must continuously improve or enhance our products and services and also be able to offer new products and services which are in line with new technological advances. Our newer range of product offerings such as ONTs, OTT or casting device, media home gateway and TPMS as well as service offerings such as mobile entertainment service platform, may not satisfy our customer preference, or that our customers may require features and functionality that our products and services do not have. As such, we may experience difficulties and delays in the design, development and marketing of our new products and services.

There can be no assurance that, despite having to adapt to our customer needs and preference or generating market awareness for our new products and services, we may be able to introduce our new product and service offerings in a timely manner.

6.1.4 Borrowings and financing risks

Our total outstanding borrowings as at the LPD amounted to approximately RM254.22 million, which are interest-bearing borrowings and primarily denominated in RM, and followed by USD. As such, any additional borrowings and/ or increase in interest rates may result in an increase in interest expense, which may affect our profitability. Furthermore, our total borrowings of approximately RM254.22 million and our NA of RM167.76 million based on our latest audited consolidated financial statements as at 31 December 2017 will translate into a gearing ratio of approximately 1.40 times, which may imply that our Group carries a substantial level of indebtedness. Such level of indebtedness may impair our Group's ability to obtain additional financing which in turn may affect our business expansion and/ or investment plans in the future.

Our credit facilities may also be subject to periodic review by the financial institutions and contain certain covenants which may limit our operating and financing flexibility. Any act or omission by us that breaches such covenants may give the rights to the financial institutions to terminate the relevant credit facilities and/ or enforce any security granted in relation to those facilities. Nevertheless, there can be no assurance that our performance will not be adversely affected should we breach such covenants of any of our facility agreements.

6.1.5 Foreign exchange fluctuation risks

Our Group is exposed to foreign exchange risks as we have business transactions which are transacted in foreign currencies predominantly in USD followed by others such as SGD and RMB, including sales of our communications and solutions products as well as purchases of raw materials. For the FYE 31 December 2017, approximately 98.2% of our revenue and 99.3% of our purchases of raw materials are transacted in foreign currencies.

Our Group's exposure to foreign exchange risk also relates to foreign currency borrowings denominated in USD, which amounts to approximately 2.9% of our total borrowings as at the LPD. However, as our Group is able to derive sales receipts in foreign currencies and simultaneously uses these receipts for the purchase of raw materials and/ or repayment of foreign currency bank borrowings, this would therefore provide, to a certain extent, a natural hedge against foreign currency fluctuations.

We have neither implemented any hedging policy nor entered into any forward contract in respect of our exposure to the foreign currency fluctuation. In absence of such policies and/ or forward contract, any unfavourable fluctuation in the exchange rate of foreign currency may materially affect our profitability.

6.1.6 Credit risks

Generally, the risk of potential bad debts is considered to affect most businesses. We may experience delays in payment from our customers, or in more severe cases, we may not be able to collect payment. In the likelihood or event of payment defaults, we would have to make provisions for doubtful debts or incur bad debts written off, which will have an adverse impact on our profitability. Save for the provision on the impairment on trade receivables amounting to approximately RM0.20 million and RM0.11 million in the FYE 31 December 2016 and FYE 31 December 2017 respectively, there were no other provisions for doubtful debts or any bad debts written off for the past 2 financial years up to the FYE 31 December 2017.

Nevertheless, there can be no assurance that all our debts would be collected. Our financial performance could be adversely affected in the event of write-offs and/ or provisions for doubtful debts.

6.1.7 Dependence on key management and personnel

The performance and success of our Group's business and operations are dependent, among others, on the skills, abilities, experience, competencies and on-going efforts of our Group's key management and personnel, namely Tan Kay Yen, our Chief Executive Officer cum Executive Director. In addition, we also face competition for qualified or skilled personnel from numerous technology and software companies. If we fail to attract and retain suitably qualified or skilled personnel such as software engineers and sales personnel, our ability to grow our business may be adversely affected. Failure to retain and/ or failure to recruit suitable candidates to timely replace any such key management or personnel may adversely affect our Group's business and operations.

6.1.8 Political, economic and regulatory risks

Any adverse developments in political, economic and regulatory conditions in both Malaysia and overseas such as the ASEAN region, Middle East region, North America region and Australia, where our Group has business dealings in, could materially and adversely affect the financial prospects of our Group. This may include but are not limited to, changes in the government's monetary and fiscal policies, methods of taxation and licensing regulations, changes in labour law and other regulatory changes that may affect all players in the ICT industry. Most of these changes are beyond our control.

Political or regulatory changes may result in cancellation or deferment of certain projects, which in turn may result in the cancellation or delay in awarding our Group of the existing and/ or future contracts. Changes in interest rates or taxes may impact our Group's business, financial condition, results of operations and prospects. Other adverse political situations include the risks of wars/ trade wars and terrorism which may also affect the financial performance of our Group.

6.2 Risks relating to the ICT industry

6.2.1 Competition risk

The ICT industry is competitive in nature and characterised by rapid technological changes. We face competition from existing competitors and new entrants both locally and internationally, who vary in size and in scope and breadth of the products and services offered by them. Our competitors may develop designs/ products, features or services that are similar to our offerings or that can achieve greater market acceptance, may undertake more far-reaching and successful product development and/ or marketing efforts or may adopt more aggressive pricing policies. Our success is therefore dependent on our capability to continuously introduce products and service offerings with new or better features to the market at a competitive price.

Nevertheless, there can be no assurance that our Group will be able to sustain our competitiveness against current and future competitors.

6.2.2 Rapid technological changes

Our Group operates in the ICT market where the products and services are prone to evolving industry standards and frequent new product introductions and enhancements. Our Group's future growth and success would depend on, amongst others, our ability to develop new products and services to meet the needs of our customers. There is no assurance that we would be able to develop new products and services in a timely manner and cost-effective basis, and such circumstances may in turn adversely affect our business operations and financial performance.

The development of new or enhanced products and services is a complex and uncertain process. Furthermore, we may also experience design, marketing and other difficulties that could delay or prevent the development of existing products and services and the introduction or marketing of new or enhanced products and services. Our businesses, operating results and financial conditions may be adversely affected if our competitors are able to develop new or enhanced products and services, in a timely manner and cost-effective basis that meet or best suit our customers' needs.

6.3 Risks relating to the Rights Issue with Warrants

6.3.1 Market risks

The market price of our Shares as traded on Bursa Securities is influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets, the outlook of the industries which we operate in as well as our financial performance. In view of this, there can be no assurance that our Shares will trade at or above the issue price of the Rights Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

Shareholders should also consider carefully that each Warrant derives its value from giving its holder the right to subscribe for new GPB Shares at a predetermined exercise price over the exercise period. The Warrants have a finite lifespan during which tenure the holders can exercise the subscription rights comprised in the Warrant. If the sum of the price of the Warrants as quoted on Bursa Securities and the exercise price of the Warrants is higher than the market price of GPB Shares, the Warrants are deemed to be 'out-of-the-money'. The value of the Warrants is directly related to the market price of GPB Shares. The higher the market price of GPB Shares exceeds the exercise price of the Warrants, the higher the value of the Warrants will be.

Shareholders are reminded, however, that other factors may also affect the market price of our Warrants or the market price of our Shares. Other than the fundamentals of our Group, the future price performance of the Warrants will also depend on various external factors as mentioned above.

As the Warrants are a new type of securities issued by our Company, there can also be no assurance that an active market for the Warrants will develop upon their listing on Bursa Securities or if developed, that it will sustain.

Accordingly, there can be no assurance that the market price of our Rights Shares and the Warrants will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares and the Warrants.

6.3.2 Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events/ circumstances, unfavourable changes in the governments' policies as well as other force majeure events, which are beyond the control of our Company and UOBKH, arising prior to or during the implementation of the Rights Issue with Warrants.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares and the Warrants. However, there can be no assurance that the above-mentioned events will not occur and cause a delay in or abortion of the Rights Issue with Warrants. In the event the Rights Issue with Warrants is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares pursuant to the Rights Issue with Warrants and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the Rights Issue with Warrants is aborted/ terminated, and the Rights Shares and the Warrants have been allotted to the shareholders, a return of monies to all holders of the Rights Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be removed within a short period of time or at all in such circumstances.

6.3.3 Potential mandatory take-over offer

It should be noted that the Undertaking Shareholders may be obliged to undertake a mandatory take-over offer for all the remaining GPB Shares and Warrants not held by them and the PAC under the Minimum Scenario pursuant to Paragraph 4.01(a) of the Rules:-

(a) where the acquirer has obtained control of the company i.e. holding more than 33%; or

(b) where the acquirer has triggered the creeping threshold, where the creeping threshold means an acquisition of more than 2% of the voting shares or voting rights of a company in any period of 6 months by an acquirer holding over 33% but not more than 50% of the voting shares or voting rights of the company.

As disclosed in Section 3 of this Abridged Prospectus, assuming the full exercise of the Warrants held by the Undertaking Shareholders under the Minimum Scenario, the aggregate shareholdings of the Undertaking Shareholders and the PAC in GPB may further increase from approximately 32.96% to 41.33% (excluding treasury shares). Such exercise of the Warrants held by the Undertaking Shareholders may result in the shareholdings of the Undertaking Shareholders and the PAC collectively exceeding 33% of the enlarged issued shares in GPB. Pursuant to the Rules, the Undertaking Shareholders would, in such event, be obliged to extend a mandatory take-over offer for all the remaining GPB Shares and Warrants not already owned by them and the PAC.

However, it is not the intention of the Undertaking Shareholders to undertake a mandatory take-over offer in such event. In this regards, the Undertaking Shareholders shall observe at all times when dealing in their Warrants to avoid triggering such obligation to extend the mandatory take-over offer. In addition, should the need arises, the Undertaking Shareholders may make an application to the SC to seek an exemption under Paragraph 4.08 of the Rules from the obligation to extend the said mandatory take-over offer, the application of which may be made at a later date but prior to triggering the mandatory take-over offer obligation.

6.4 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy performed strongly in 2017, registering a growth of 5.9% (2016: 4.2%). Growth was anchored by domestic demand, reflecting faster expansion in both private and public sector spending. Similar to the region, Malaysia benefited from the broad-based global recovery, with gross exports increasing at its fastest pace since 2004. The materialisation of positive spillovers from the external sector further reinforced domestic demand. Domestic demand continued to anchor growth during the year, supported by faster expansion in both private and public sector spending. On the external front, real exports registered the strongest growth rate since 2010, underpinned by strong global expansion, particularly in the case of Malaysia's trading partners, and higher global commodity prices. On the supply side, most sectors registered higher growth in 2017. Malaysia's growth performance remained principally driven by the services and manufacturing sectors, which benefited from marked improvements in domestic and external conditions.

The Malaysian economy is projected to remain firmly on a steady growth path to grow by 5.5%-6.0% (2017: 5.9%) in 2018. Malaysia's strong economic fundamentals, diversified structure and inherent dynamism have always been key factors to deliver economic growth. For 2018, growth prospects are further lifted by strengthening global economic conditions. Growth will be underpinned by continued expansion in private sector activity. The strong growth momentum will also be supported by the continued positive spillovers from the external sector to the domestic economic activity.

(Source: Annual Report 2017, Bank Negara Malaysia)

7.2 Overview and outlook of the ICT industry

The information and communication subsector recorded a strong growth of 8.3% in the first half of 2017 (1H2016: 8.6%). The communication segment remained as the major contributor to growth, sustaining its pace at 9.3% (1H2016: 9.8%) followed by aggressive promotional activities by telecommunication companies and introduction of new telephone models. Meanwhile, information segment grew 5.7% (1H2016: 3.6%) and computer services rose 6.4% (1H2016: 7%). The subsector is expected to sustain its strong growth momentum expanding 8.5% in 2017 (2016: 8.1%) supported by the launching of latest smartphone models, price reductions on earlier premium models and an increase in subscriptions to value added services offered by telecommunication companies.

The information and communication subsector is expected to expand 8.8% in 2018 (2017: 8.5%) on account of promotional campaigns and more offerings of digital products.

(Source: Economic Report 2017/2018, Ministry of Finance Malaysia)

In 2017, the local communications and media industry based on domestic revenue grew 1.2% to RM50.67 billion compared with 0.9% growth previously (2016: RM50.07 billion). The breakdown of local industry revenue by sectors is telecommunications (68%), broadcasting (13%) and postal (5%). For 2018, revenue is expected to remain steady, driven mainly by strong consumer demand for communications and media services. Strategic investment in capital expenditure by service providers would effectively ensure infrastructure readiness and service quality going forward. Moreover, the service providers venturing into SMEs markets to support digitalisation process by adoption of ICT in their business operations would also add to positive earnings impact. Moving forward, service providers together with Malaysian Communications and Multimedia Commission ("MCMC") should continue to drive digital transformation and reap far reaching benefits. Also, moving to fast-growing adjacent markets such as content or financial services and new markets in IoT and others in the pipeline can indeed prove to be highly beneficial for advancing communications and multimedia (C&M) industry services and its returns.

Economic Performance in the Telecommunications sector

In 2017, the local telecommunications sector revenue showed a marginal decline of 0.03% to RM34.65 billion (2016: RM34.66 billion). This was due to lower revenue recorded by mobile service providers (i.e. Celcom, Maxis and Digi), which collectively decreased by 0.6% to RM21.7 billion in 2017 compared with RM21.83 billion in 2016. Mobile service providers' revenue was affected by intense competition as each offered cheaper packages to acquire or retain subscribers. This benefits consumers, who can choose from a range of affordable and data-rich packages. Service providers are willing to spend on more promotions and discounted packages. Overall, mobile service providers accounted for 62% of the total telecommunications sector revenue (2016: 63%). Meanwhile, fixed service providers (i.e. TM and TIME) have posted positive revenue growth of 0.9% to RM12.95 billion in 2017 compared with RM12.83 billion in 2016. The increase of fixed service providers' revenue was attributed to higher take up in fibre connections, encouraged by the fast expanding fibre network coverage supported by the Government's High Speed Broadband (HSBB) initiatives.

Economic Performance in the Broadcasting sector

Broadcasting sector revenue constituting Pay TV (i.e. ASTRO) and Free-to-Air ("FTA") TV (i.e. Media Prima Group) has declined by 0.9% in 2017, contributing RM6.42 billion to total communications and media industry revenue compared with RM6.48 billion in 2016. Such decline was due to lower advertising and Pay TV subscriptions revenue. However, revenue from sources other than subscriptions or advertising, such as TV shopping, was up by 32% to RM417 million in 2017. This contributed 6% of total broadcasting revenue in 2017 compared with 5% in 2016. The broadcasting sector continues to face shifts in viewing consumption and advertising spending to digital media, driven by mobility.

Services and Connectivity

Malaysia broadband penetration rate per 100 inhabitants has surpassed 100% mark in 2017, reaching 117.3%. Broadband subscriptions have increased by 22% to 37.85 million in 2017 from 31.02 million in 2016. The increase was mainly due to higher mobile broadband subscriptions of 35.26 million, a double digit growth of 23.6% from 28.53 million in 2016. Factors driving this encouraging growth include individuals connecting more devices through mobile networks to enjoy faster connection speeds over 4G LTE, coupled with attractively priced data packages. Moreover, greater availability of affordable devices also aided mobile broadband take up. In contrast, fixed broadband subscriptions reached 2.59 million, contributing 7% to total broadband subscriptions in 2017. The 2.59 million subscriptions represent a growth of 4% from 2.49 million in 2016. In 2017, mobile broadband subscriptions reached 35.26 million, a double digit growth of 23.6% from 28.53 million in 2016. The higher number in mobile broadband subscriptions were partly attributed to initiatives taken by service providers to migrate their existing pure voice subscribers' onto postpaid or prepaid bundled plans (voice with minimum data). Service providers are now strategically differentiating to focus on enhancing customer experience and improving service quality. Competitive advantage can be obtained by meeting customer demand for video content, shopping, banking transaction and other digital services. Service providers need to come up with products beyond connectivity with flexible pricing that indeed changes the stakes in a competitive market scenario.

Content Services

In Malaysia, majority of Internet users are streaming video or watching TV online as well as listening to music or radio. Based on MCMC Internet Users Survey 2017, 70% of Internet users continued to stream video or watch TV as part of their leisure activities when online. FTA and Pay TV service providers to-date are going beyond content businesses and expanding customer transaction to other avenues such as providing over the top (or OTT) service and home shopping. Service providers are strategising to diversify business models such as providing content to other service providers and home shopping platform to boost revenue. To reach wider viewers, FTA and Pay TV service providers are also airing their content via multiplatform and collaboration activities. Today, viewers are being offered with a variety of good quality content genre to cater to their needs and interests. Analogue technology is gradually being phased out. Consequently, doing away with this and its high maintenance cost enables the FTA broadcasters to stay relevant and cost competitive. This is positive in the midst of intense competition amongst new media platforms such as cable and Internet Protocol (IP), OTT and satellite.

Many countries have already started the transition from analogue terrestrial TV to Digital Terrestrial TV (DTT). DTT is a government's initiative aimed at ensuring a smooth transition from analogue to digital broadcasting on terrestrial platform for current FTA service providers including Radio Televisyen Malaysia (RTM). Malaysia aims to implement full switchover or Analogue Switch Off which is in line with the timeline agreed by ASEAN member countries to implement Analogue Switch Off (2015 – 2020). In order to receive DTT service, viewers have to either own a MYTV Advanced Set Top Box or integrated Digital TV (iDTV) that comes with a built-in digital tuner and does not require a set top box.

Digital Services

e-Commerce

Electronic commerce or e-commerce is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the Internet. The e-commerce market continues to grow in Malaysia. According to the Department of Statistics Malaysia, data collected showed that e-commerce contribution to Malaysia's GDP had increased to 6.1% or RM74.6 billion in 2016 compared to 5.9% or RM68.3 billion in 2015. Facilitating e-commerce expected growth is also infrastructure readiness and our favourable demographics comprising savvy online users. Also, Malaysia's Internet penetration is one of the highest in the region and about one-third of our Internet users make purchases online.

The Digital Free Trade Zone ("DFTZ"), launched in 22 March 2017, is the first regional and Malaysian e-hub. DFTZ combines both physical and virtual zones incorporated with a RM60 million e-Commerce Regional Distribution Centre venture between Pos Malaysia and Lazada at former low cost carrier terminal in Sepang. DFTZ is expected to be a game changer to the sector ecosystem with potential for cross border e-commerce, development of SMEs, creation of new jobs aside from initial capital investment. Accordingly, these initiatives are expected to double Malaysia's e-commerce growth and increase its contribution towards the GDP to RM211 billion (approximately USD47.68 billion) by year 2020.

m-Commerce

The shift from using laptops or desktops for search and making purchases online to using mobile phones over the last two years has accelerated. The increase in Malaysian consumers making online purchases using mobile phone is one of the major trends driving the country's e-commerce in 2017. According to a Visa Consumer Payment Attitudes Survey 2016, 57% of Malaysians are using their mobile phones to shop at least once a month online, up 9% from 2015.

This trend considered a mobile-oriented mindset is driving e-commerce expansion. E-commerce platforms are being revised continuously to create good customer experience by developing the way content is presented on their website as well as on the mobile devices. This includes, innovatively using new features and providing relevant information to customers. Enhancing the quality of content and loading speed are also emphasised.

Mobile payments

Malaysians appear upbeat about technological advancements in payment solutions. They are quick to recognise the benefits of using contactless cards, wearables and mobile payments. According to Visa Mobile Attitudes Study 2016, Malaysians are ready to adopt mobile payments with seven in ten expressing willingness to use mobile wallets. The transaction value of the mobile payments segment in Malaysia amounted to USD142 million in 2017, with an average transaction value of USD136.10 per user. For a global comparison perspective, PRC had the highest transaction value of USD138.27 billion in 2017. Malaysia's transaction value is expected to reach USD927 million in 2021 based on annual growth rate of 59.8% (compound annual growth rate) for 2017 – 2021. Users of mobile payments are expected to reach 2.4 million by 2021.

(Source: Industry Performance Report 2017, Malaysian Communications and Multimedia Commission)

7.3 Future prospects of our Group

We are principally involved in the business of investment holdings, research, development, marketing and distribution of wireless networking and telecommunication, media and IoT products, communication services, consumer digital services and other high technology products and services. Overall, our Group's principal activities are typically categorised into the following 3 core business segments:-

GPB Group

Communications	Solutions	Digital Services
Provision of total communication services, solutions and products.	Research, development, marketing and distribution of wireless networking and telecommunication, media and IoT solutions which include equipment and software solutions.	Provision of Fintech, IoT, and media digital services and contents.
⇩	⇩	⇩
Focused on the international wholesale of voice minutes and data bandwidth, by providing cost effective voice and data interconnection services to the local and international telecommunications operators.	Focused on offering (i) indoor and outdoor modem devices for fixed voice and wireless broadband connectivity, and also Wi-Fi devices; (ii) fleet management solution under "Roadmio" brand through its range of IoT products such as OBD-II and TPMS; and (iii) home entertainment solutions through its range of CPE and media products such as STB and streaming device.	Focused on continuous innovation and development of (i) IoT services such as connected vehicle solutions; (ii) Fintech platforms under "kiplePay" brand offering services such as payment gateway, e-wallet, loyalty & rewards program, cashless parking application and resident management platform application; and (iii) mobile or media platform comprising digital content offerings such as mobiles games, video, music and e-books which are catered to the telecommunication operators to facilitate its service offerings to its subscribers.

The communications segment remains our main revenue contributor, followed by the solutions segment and digital services segment. Based on our latest audited consolidated financial statements as at 31 December 2017 which posted a total revenue of RM358.94 million, the communications segment recorded a revenue of RM256.02 million (71.33%), whilst the solutions segment and digital services segment recorded revenue of RM101.19 million (28.19%) and RM1.73 million (0.48%) respectively. Further details and commentary of our financial information and performance of our Group are elaborated in Section 6, Appendix II of this Abridged Prospectus.

Under our **communications** segment, we continue to gradually expand our customer base globally primarily focusing on the ASEAN and Middle East regions, whilst also aiming to penetrate the North American and European regions. Apart from geographical expansion, we are also looking to continuously enhancing our services in offering wholesale data services and new voice services to our customers in the ASEAN region. In 2017, we have launched an e-services platform targeted at the migrant worker segment known as "VivoBee" application, which provides them a variety of service offerings such as international voice call, overseas bill payment and remittance service, mobile reload and data bundles. Further, by leveraging on our global customer footprint in the communications segment, we are working towards building on the opportunity to cross sell our products and services from our solutions and digital services segments including but not limited to, our "Roadmio" fleet management solution products and services, as well as our range of CPE and media devices such as ONTs and OTT or casting device.

Under our **solutions** segment, we plan to expand our product offerings beyond our conventional connectivity devices (i.e. optical modems and Wi-Fi devices). We are looking to build up our inventory of products which we believe has growth potential in today's digital era which are increasingly driven by the broadband usage as well as connectivity in digital solutions. Our aim at this juncture is to expand our product offerings to include CPE and media devices used for home internet connectivity and entertainment solutions, as well as IoT devices used for connected on-board vehicle diagnostic and tracking and also fleet management solutions.

Under our **digital services** segment, we aim to enhance on the overall technology ecosystem of our digital service offerings by focusing on three key areas, namely IoT, Fintech and Media & Contents, as follows:-

a. IoT

Our Board anticipates that the growth in the IoT industry will be mainly driven by the increase in the usage of mobile devices, greater access to broadband internet, smart enterprise and vehicle solutions, as well as availability of low powered wireless technology. Within the wide-ranging spectrum of IoT applications, we are actively focusing on the continuous innovation and development of IoT products such as the OBD-II and TPMS used in the automotive sectors at this juncture.

b. Fintech

Over the past few years, Malaysians are increasingly embracing e-payments device, notably following the greater adoption of smartphones and the introduction of mobile-based payment platforms. Our "kiplePay" payment gateway solutions, which has been introduced to the Malaysian market since January 2017, allow consumers to make payment online via various payment channels such as e-wallet, credit card and debit card for the purchase of goods and services. At this juncture, we are focusing on 3 types of target market via the introduction of "kiplePark" (parking), "kipleHome" (building management) and "kipleSchool" (education). We aim to continuously enhance, innovate and develop better and more secured platforms and solutions for our e-wallet and payment gateway applications. This in turn will allow our platforms to be better marketed to attract more users and merchants, in bid to capture more market share in the Fintech space.

c. ***Media & Contents***

On the media front, we continue to reach other geographical markets for our media hardware and content platforms to end consumers. At this juncture, we are collaborating with a mobile content provider, namely Funsea Entertainment Co Ltd, via a joint venture agreement to primarily develop and market our mobile entertainment service platform(s) for the ASEAN market, particularly focusing on Malaysia, Thailand, Indonesia and Philippines. The mobile entertainment service platform forms part of our service offerings which we can cross sell to our customer base of telecommunication operators, and in turn they can then have the opportunity to offer more compelling proposition to retain and/ or attract more subscriber base to their broadband products and services. At this juncture, we are engaged in trial testing on the integration works of our mobile entertainment service platform with 2 local telecommunication operators which we aim to secure their acceptances by the first quarter of 2019. In addition, we plan to introduce and integrate more digital contents such as video and games into our existing in-house "VivoBee" application, as part of continuous enhancement in our service offering to actively maintain user engagement within the migrant worker segment.

Both our communications and solutions segments have been around since 2006 and 2003, respectively, whilst we had introduced our digital services segment in 2017 following our maiden investment in the Fintech business. Notwithstanding that the communications segment has been the main revenue contributor to our Group, we intend to accelerate our overall business growth via the expansion of our **solutions** and **digital services** segments, and that the Rights Issue with Warrants shall provide our Group an opportunity to effect our aforesaid expansion plan.

Furthermore, the Rights Issue with Warrants is being undertaken by us followed thereafter by the Capital Reduction and the SGS, of which further details of these other proposals are set out in Section 2.6 of this Abridged Prospectus. The Capital Reduction allows us to rationalise our statement of financial position by eliminating our accumulated losses and to recapitalise our financial position to better reflect our underlying assets, whilst the SGS serves as a long-term incentive plan to motivate, reward and retain our eligible employees who can then be aligned with the interest of our Group's business objectives. On the other hand, the Rights Issue with Warrants allows us to raise funds on an expeditious manner to effect our utilisation plan as set out in Section 4 of this Abridged Prospectus, in order to execute our future growth plans.

Our Board, after having considered the outlook for ICT industry and the abovementioned prospects, is optimistic that the Rights Issue with Warrants, coupled with the aforementioned Capital Reduction and SGS, will be able to place our Group on a better financial footing, and to facilitate our growth potential as well as further improve the financial performance of our Group moving forward.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

Purely for illustrative purpose, the pro forma effects of the Rights Issue with Warrants as presented herein and the ensuing pages have also taken into consideration the effects of the Capital Reduction and the SGS (where relevant), of which further details of these proposals are set out in Section 2.6 of this Abridged Prospectus.

8.1 Issued share capital

The pro forma effects of the Rights Issue with Warrants, Capital Reduction and SGS are set out as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	**RM**	**No. of Shares**	**RM**
Issued share capital as at the LPD	758,720,619	155,879,927	758,720,619	155,879,927
Less: Treasury shares, at cost	(7,707,700)	(12,216,888)	(7,707,700)	(12,216,888)
	751,012,919	**143,663,039**	**751,012,919**	**143,663,039**
Issuance of Rights Shares	37,464,154	5,988,522*1	150,202,583	26,602,980*1
	788,477,073	**149,651,561**	**901,215,502**	**170,266,019**
Issuance of new Shares arising from exercise of the Warrants	112,392,462	44,956,985*2	450,607,749	180,243,100*2
Reversal of warrants reserve	-	8,197,140*3	-	32,678,053*3
Issued share capital after the Rights Issue with Warrants	**900,869,535**	**202,805,686**	**1,351,823,251**	**383,187,172**
Add: Credit standing to our share premium account	-	412,795,811*4	-	412,795,811*4
Less: To be reduced and cancelled under the Capital Reduction	-	(455,515,247)	-	(455,515,247)
Issued share capital after the Capital Reduction	**900,869,535**	**160,086,250**	**1,351,823,251**	**340,467,736**
Issuance of new Shares pursuant to the SGS	135,130,430*5	49,322,607*6	202,773,487*5	74,012,323*6
Enlarged issued share capital after the SGS	**1,035,999,965**	**209,408,857**	**1,554,596,738**	**414,480,059**

Notes:-

*1 Calculated based on the no. of Rights Shares multiplied by the issue price of RM0.40 per Rights Share under each scenario and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account, and thereafter deducting the estimated expenses of RM800,000 in relation to the Rights Issue with Warrants. The apportioned value for the share capital account amounts to approximately RM6.79 million under the Minimum Scenario and approximately RM27.40 million under the Maximum Scenario, before deducting the said estimated expenses

*2 Calculated based on the no. of Warrants multiplied by the exercise price of RM0.40 per Warrant under each scenario

*3 Calculated based on the no. of Warrants multiplied by the theoretical fair value of RM0.161 each under the Minimum Scenario and RM0.159 each under the Maximum Scenario, and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account. The apportioned value for the warrants reserve account amounts to approximately RM8.20 million under the Minimum Scenario and approximately RM32.68 million under the Maximum Scenario

*4 To facilitate the Capital Reduction, any amount standing to the credit of a company's share premium account shall become part of the company's share capital in accordance with Section 618(2) of the Act. Accordingly, our share premium amounting to RM412,795,811 shall become part of our share capital prior to the application to the High Court for the Capital Reduction

*5 Calculated based on 15% of the total number of our issued shares (excluding treasury shares held as at LPD) following the Rights Issue with Warrants and the full exercise of the Warrants, which may be issued progressively over 10 years, being the duration of the SGS

*6 Calculated based on the 5-day VWAP of GPB Shares up to and including the LPD of RM0.365 per Share

8.2 NA per Share and gearing

Based on the latest audited consolidated statement of financial position of our Group as at 31 December 2017 and on the assumption that the transfer of share premium into share capital, the Rights Issue with Warrants and the Capital Reduction had been effected on that date, the pro forma effects of the Rights Issue with Warrants and the Capital Reduction on the NA per Share and gearing of our Group are as follows:-

Minimum Scenario		**I**	**II**	**III**
	Audited as at 31 December 2017 RM'000	**After the Rights Issue with Warrants RM'000**	**After I and assuming full exercise of the Warrants RM'000**	**After II and the Capital Reduction RM'000**
Share capital	155,880	161,869[*1]	215,023[*3]	172,304[*4,*5]
Treasury shares	(12,217)	(12,217)	(12,217)	(12,217)
Share premium	412,796	412,796	412,796	-[*4]
Warrants reserve	-	8,197[*2]	-[*3]	-
(Accumulated losses)/ Retained earnings	(433,466)	(433,466)	(433,466)	21,619[*5]
Other reserves	44,766	44,766	44,766	44,766
Shareholders' funds/ NA	**167,759**	**181,945**	**226,902**	**226,472**
No. of shares (excl. treasury shares) ('000)	751,013	788,477	900,870	900,870
NA per share (RM)	0.22	0.23	0.25	0.25
Total borrowings (RM'000)	234,804	234,804	234,804	234,804
Gearing ratio (times)	1.40	1.29	1.03	1.04

Notes:-

*1 After accounting for the issuance of 37,464,154 Rights Shares at the issue price of RM0.40 per Rights Share and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account, and thereafter deducting the estimated expenses of RM800,000 in relation to the Rights Issue with Warrants. The apportioned value for the share capital account amounts to approximately RM6.79 million before deducting the said estimated expenses

*2 After accounting for the recognition of the theoretical fair value of RM0.161 per Warrant based on Bloomberg trinomial model, and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account. The apportioned value for the warrants reserve account amounts to approximately RM8.20 million

*3 After accounting for the full exercise of the 112,392,462 Warrants at the exercise price of RM0.40 per Warrant, and also the reversal of warrants reserve upon exercise of the Warrants

*4 To facilitate the Capital Reduction, any amount standing to the credit of a company's share premium account shall become part of the company's share capital in accordance with Section 618(2) of the Act. Accordingly, our share premium amounting to RM412,795,811 shall become part of our share capital prior to the application to the High Court for the Capital Reduction

*5 After accounting for the reduction and cancellation of our share capital by RM455,515,247 to offset the accumulated losses of our Company pursuant to the Capital Reduction, and also deducting the estimated expenses of RM430,000 in relation to the Capital Reduction and the SGS from our (accumulated losses)/ retained earnings account

Maximum Scenario

		I	II	III
	Audited as at 31 December 2017 RM'000	**After the Rights Issue with Warrants RM'000**	**After I and assuming full exercise of the Warrants RM'000**	**After II and the Capital Reduction RM'000**
Share capital	155,880	182,483*1	395,404*3	352,685*4,*5
Treasury shares	(12,217)	(12,217)	(12,217)	(12,217)
Share premium	412,796	412,796	412,796	-*4
Warrants reserve	-	32,678*2	-*3	-
(Accumulated losses)/ Retained earnings	(433,466)	(433,466)	(433,466)	21,619*5
Other reserves	44,766	44,766	44,766	44,766
Shareholders' funds/ NA	**167,759**	**227,040**	**407,283**	**406,853**
No. of shares (excl. treasury shares) ('000)	751,013	901,216	1,351,823	1,351,823
NA per share (RM)	0.22	0.25	0.30	0.30
Total borrowings (RM'000)	234,804	234,804	234,804	234,804
Gearing ratio (times)	1.40	1.03	0.58	0.58

Notes:-

*1 After accounting for the issuance of 150,202,583 Rights Shares at the issue price of RM0.40 per Rights Share and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account, and thereafter deducting the estimated expenses of RM800,000 in relation to the Rights Issue with Warrants. The apportioned value for the share capital account amounts to approximately RM27.40 million before deducting the said estimated expenses

*2 After accounting for the recognition of the theoretical fair value of RM0.159 per Warrant based on Bloomberg trinomial model, and adjusted for the apportionment of its relative fair value between the share capital account and the warrants reserve account. The apportioned value for the warrants reserve account amounts to approximately RM32.68 million

*3 After accounting for the full exercise of the 450,607,749 Warrants at the exercise price of RM0.40 per Warrant, and also the reversal of warrants reserve upon exercise of the Warrants

*4 To facilitate the Capital Reduction, any amount standing to the credit of a company's share premium account shall become part of the company's share capital in accordance with Section 618(2) of the Act. Accordingly, our share premium amounting to RM412,795,811 shall become part of our share capital prior to the application to the High Court for the Capital Reduction

*5 After accounting for the reduction and cancellation of our share capital by RM455,515,247 to offset the accumulated losses of our Company pursuant to the Capital Reduction, and also deducting the estimated expenses of RM430,000 in relation to the Capital Reduction and the SGS from our (accumulated losses)/ retained earnings account

Save for estimated expenses to be incurred in relation to the SGS, the SGS will not have any immediate effect on our consolidated NA, NA per Share and gearing until such time the GPB Shares arising from the vesting of the grants under the SGS are issued and allotted. Any potential effect on our consolidated NA, NA per Share and gearing will depend on the mode of settlement of the grants and the number of GPB Shares to be issued, both of which can only be determined at the date of vesting. Assuming all the grants are satisfied through the issuance and allotment of GPB Shares, our consolidated NA per Share is expected to be diluted.

8.3 Earnings and EPS

The Rights Issue with Warrants and the Capital Reduction are not expected to have any material effect on the earnings of our Group for the FYE 31 December 2018. However, the EPS/ LPS of our Group may be diluted as a result of the increase in the number of GPB Shares to be issued pursuant to the Rights Issue with Warrants and as and when the Warrants are exercised into new GPB Shares during the tenure of the Warrants. Notwithstanding that, the proceeds from the Rights Issue with Warrants and the exercise of the Warrants may contribute positively to the earnings of our Group for the ensuing financial years, when the benefits of the utilisation of proceeds are realised.

For illustrative purpose only, based on the latest audited financial statements of our Group for the FYE 31 December 2017, the pro forma dilution effect on the basic LPS of our Group as a result of the issuance of the Rights Shares and the new Shares arising from the exercise of the Warrants, is set out below:-

Minimum Scenario

		I	**II**
	Audited as at 31 December 2017	**After the Rights Issue with Warrants**	**After I and assuming full exercise of the Warrants**
LAT attributable to the owners of our Company (RM'000)	(16,197)	(16,197)	(16,197)
No. of shares (excl. treasury shares) ('000)	751,013	788,477	900,870
Basic LPS (sen)	(2.16)	(2.05)	(1.80)

Maximum Scenario

		I	**II**
	Audited as at 31 December 2017	**After the Rights Issue with Warrants**	**After I and assuming full exercise of the Warrants**
LAT attributable to the owners of our Company (RM'000)	(16,197)	(16,197)	(16,197)
No. of shares (excl. treasury shares) ('000)	751,013	901,216	1,351,823
Basic LPS (sen)	(2.16)	(1.80)	(1.20)

The extent of the effect of the SGS on our earnings and EPS cannot be determined at this juncture as it would depend on the fair value of GPB Shares as at the respective grant dates. In accordance with Malaysian Financial Reporting Standard No. 2 on Share-based Payment as issued by the Malaysian Accounting Standards Board, the cost of awarding the grants is required to be measured at fair value on the date of the grant and recognised as an expense in our statement of comprehensive income over the vesting period of the GPB Shares comprised in such grant, which may have an effect on our future earnings. However, such expense recognised does not represent a cash outflow as it is only an accounting treatment. For avoidance of doubt, there will be cash outflow if the vesting of the new GPB Shares comprised in the grants is fully or partly satisfied via transfer of existing GPB Shares acquired from the Main Market of Bursa Securities.

The SGS will have a dilutive effect on our EPS if the grants are settled by issuance of new GPB Shares.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from our operations, current cash in hand and banking facilities available as well as proceeds from the Rights Issue with Warrants, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM254.22 million. All our borrowings are interest-bearing and denominated in both local and foreign currency, as follows:-

9.2.1 Local currency

As at the LPD, our Group has approximately RM246.92 million in borrowings denominated in local currency, representing 97.1% of our total borrowings, which comprise the following:-

	RM'000
Long term borrowings:-	
Hire purchase payables	300
Exchangeable medium term notes	245,997
	246,297
Short term borrowings:-	
Term loans	626
	626
Total	**246,923**

9.2.2 Foreign currency

As at the LPD, our Group has approximately RM7.30 million in borrowings denominated in USD, representing 2.9% of our total borrowings, which comprise the following:-

	USD'000	RM'000*1
Short term borrowings:-		
Revolving credits	1,757	7,296
Total	**1,757**	**7,296**

Note:-

*1 Translated based on the foreign exchange rate of USD1.00:RM4.1525, being the middle rate at 5.00 p.m. as at the LPD, as quoted by Bank Negara Malaysia

As at the LPD, our Group does not have any non-interest bearing borrowings from local and foreign financial institutions.

Our Group has not defaulted on payments of either interest and/ or principal sums in respect of any borrowings during the FYE 31 December 2017 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

Save as disclosed below, as at the LPD, our Board confirms that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group:-

	RM'000
Corporate guarantee provided for banking facilities granted to our subsidiary company, namely NGT Networks Pte Ltd	8,305[*1]
Corporate guarantee provided for banking facilities granted to our subsidiary company, namely Webonline Dot Com Sdn Bhd	626
	8,931

Note:-

*1 Derived from the corporate guarantee amounting to USD2.00 million, and translated based on the foreign exchange rate of USD1.00:RM4.1525, being the middle rate at 5.00 p.m. as at the LPD, as quoted by Bank Negara Malaysia

9.4 Material commitments

As at the LPD, our Board confirms that there are no material commitments for capital expenditure incurred or known to be incurred by our Group that have not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

10. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

10.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Shares with Warrants, as well as to apply for Excess Rights Shares with Warrants if you choose to do so.

10.2 NPA

The Provisional Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Rights Shares with Warrants will be by book entries through the CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991 and the rules of Bursa Depository. You and/ or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Rights Shares with Warrants is at **5.00 p.m.** on **Monday, 19 November 2018**.

10.4 Procedure for full acceptance and payment

Acceptance of and payment for the Provisional Rights Shares with Warrants to you as an Entitled Shareholder or your renouncee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS, EXCESS RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL/ TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you and/ or your renouncee(s) (if applicable) wish to accept either in full or in part of the Provisional Rights Shares with Warrants of your entitlement, please complete Parts I and III of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the envelope provided (at your own risk) by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** at the address stated below:-

For Courier and/ or Delivery by Hand:	For Ordinary Post:
Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan	**Symphony Share Registrars Sdn Bhd** Peti Surat 9150 Pejabat Pos Kelana Jaya 46785 Petaling Jaya Selangor Darul Ehsan

Tel. No.: 03 - 7849 0777
Fax. No.: 03 - 7841 8151/ 8152

so as to arrive **not later than 5.00 p.m.** on **Monday, 19 November 2018**, being the last date and time for acceptance and payment for the Provisional Rights Shares with Warrants.

If you and/ or your renouncee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/ or your renouncee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above, our Registered Office or the website of Bursa Securities (http://www.bursamalaysia.com).

1 RSF can only be used for acceptance of Provisional Rights Shares with Warrants standing to the credit of 1 CDS Account belonging. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares with Warrants standing to the credit of more than 1 CDS Account(s). If successful, the Rights Shares subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

The minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. Successful applicants of the Rights Shares will be given the Warrant on the basis of 3 Warrants for every 1 Rights Share successfully subscribed for. However, you and/ or your renouncee(s) (if applicable) should take note that a trading board lot for the Rights Shares and the Warrants comprises of 100 Rights Shares and 100 Warrants, respectively. Fractions of Rights Shares and the Warrants, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Rights Shares with Warrants allotted to you and/ or your renouncee(s) (if applicable) is not received by our Share Registrar by **5.00 p.m.** on **Monday, 19 November 2018**, being the last date and time for acceptance of and payment for the Provisional Rights Shares with Warrants, you and/ or your renouncee(s) (if applicable) will be deemed to have declined the provisional entitlement made to you and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Rights Shares are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares to the applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in Section 10.8 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "GPB RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

ALL RIGHTS SHARES AND WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANT WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES AND THE WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/ OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

10.5 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Rights Shares with Warrants provided always that the minimum number of Rights Shares that can be subscribed for or accepted is one 1 Rights Share. Fractional of a Rights Shares shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

You must complete both Parts I and III of the RSF by specifying the number of the Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.4 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Rights Shares with Warrants that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Rights Shares with Warrants.

10.6 Procedure for sale or transfer of the Provisional Rights Shares with Warrants

As the Provisional Rights Shares with Warrants are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants to 1 or more person(s) through your stockbrokers without first having to request for a split of the Provisional Rights Shares with Warrants standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants by completing Parts I and III of the RSF. Please refer to Sections 10.4 and 10.5 of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Rights Shares with Warrants, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Rights Shares with Warrants standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar or at our Registered Office. This Abridged Prospectus and the RSF are also available on the Bursa Securities' website at http://www.bursamalaysia.com.

10.7 Procedure for acceptance by renouncees

Renouncees who wish to accept the Provisional Rights Shares with Warrants must obtain a copy of the RSF from our Share Registrar or at our Registered Office or from Bursa Securities' website at http://www.bursamalaysia.com, and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 10.4 of this Abridged Prospectus also applies to renouncees who wish to accept the Provisional Rights Shares with Warrants.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.8 Procedure for application of Excess Rights Shares with Warrants

You and/ or your renouncee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement by completing Part II of the RSF (in addition to Parts I and III) and forward it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for) to our Share Registrar **not later than 5.00 p.m.** on **Monday, 19 November 2018**, being the last date and time for acceptance and payment for Excess Rights Shares with Warrants.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.4 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "GPB EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR EXCESS APPLICATION AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:-

i. Firstly, to minimise the incidence of odd lots;

ii. Secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

iii. Thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for; and

iv. Finally, for allocation to renouncee(s) who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for.

In the event there is any remaining balance of the Excess Rights Shares with Warrants applied for by the Entitled Shareholders and/ or renouncee(s) who have applied for the Excess Rights Shares with Warrants after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares with Warrants to the Entitled Shareholders and/ or renouncee(s) who have applied for the Excess Rights Shares with Warrants until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part II of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in steps (i)-(iv) above are achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for the Excess Rights Shares with Warrants without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

10.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and the Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991 and the rules of Bursa Depository shall apply to the dealings in the Rights Shares and the Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share or Warrant Certificates shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and the Warrants will be credited directly into your CDS Account.

A notice of allotment will be despatched to you and/ or your renouncee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the last date for acceptance of and payment for the Rights Shares.

10.9.1 Subscription for the Rights Shares with free Warrants by the Entitled Shareholders

Where the Rights Shares and the Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your existing GPB Shares standing credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Rights Shares with Warrants shall mean that you consent to receive such Rights Shares and Warrants as prescribed or deposited securities which will be credited directly into your CDS Account.

10.9.2 Subscription of Rights Shares with free Warrants by the renouncees

Any person who has purchased the Provisional Rights Shares with Warrants or to whom the Provisional Rights Shares with Warrants has been transferred and intends to subscribe for the Rights Shares must state his CDS Account number in the space provided in the RSF. The Rights Shares and the Warrants will be credited directly as prescribed or deposited securities into his/ her CDS Account upon allotment and issuance.

10.9.3 Application for the Excess Rights Shares with Warrants by the Entitled Shareholder and/ or renouncee(s) (if applicable)

The Excess Rights Shares with Warrants, if allotted to the successful applicant who applies for the Excess Rights Shares with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Rights Shares with Warrants will be made on a fair and equitable basis as disclosed in Section 10.8 of this Abridged Prospectus.

10.10 Laws of foreign jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these documents relating to the Rights Issue with Warrants.

The Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so. UOBKH, our Share Registrar, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. UOBKH, our Share Registrar, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or renouncee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against us and/ or UOBKH in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing the RSF, the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) UOBKH, our Share Registrar, our Company, our Directors and officers and other professional advisers that:-

i. we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or renouncee(s) (if applicable) are or may be subject to;

ii. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares with Warrants;

iii. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

iv. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are aware that the Rights Shares and the Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

v. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have received a copy of this Abridged Prospectus, had access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and

vi. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and the Warrants.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares from any such application by Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this Abridged Prospectus, and the accompanying NPA and RSF enclosed herewith.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of our Board of
GREEN PACKET BERHAD

TAN KAY YEN
Chief Executive Officer cum Executive Director

Company No. 534942-H

APPENDIX I

CERTIFIED TRUE COPY OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 12 SEPTEMBER 2018

CERTIFIED TRUE COPY

TAI SIEW MAY
Secretary
MAICSA 7015823
25/9/18

GREEN PACKET BERHAD
(Company No. 534942-H)
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the Company held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Persiaran Tropicana, 47410 Petaling Jaya, Selangor on Wednesday, 12 September 2018 at 10.00 a.m.

PRESENT:
Board of Directors:
Mr Boey Tak Kong ("Chairman")
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman
Tan Sri Kok Onn
Mr Puan Chan Cheong
Mr Tan Kay Yen
Encik A. Shukor S.A Karim
Dato' Lai Yit Loong

Shareholders:
As per the Attendance List

Proxies:
As per the Attendance List

IN ATTENDANCE:
Company Secretary
Tai Siew May

External Auditors:
Messrs Crowe Malaysia (represented by Mr Ooi Song Wan and Ms Fong Sook Lai)

Adviser:
UOB Kay Hian Securities (M) Sdn Bhd (represented by Mr Wingston Loh, Mr Stanley Lee and Mr Tan Meng Kim)

Due Diligence Solicitor:
Messrs. CCA {Chooi & Company and Cheang & Ariff} (represented by Mr Loo Hao Han and Mr Chang Wan Teng)

Poll Administrator
Symphony Share Registrars Sdn Bhd

Scrutineers
Symphony Corporatehouse Sdn Bhd

1. CHAIRMAN OF THE MEETING

Before the commencement of the Meeting, the Secretary informed shareholders that Tan Sri Datuk Dr Haji Omar Bin Abdul Rahman was being held up in traffic congestion on his way to the meeting venue. Tan Sri Datuk Dr Haji Omar Bin Abdul Rahman sent his apology. The Directors decided to commence the Meeting at 10:10 a.m.

Pursuant to Article 60 of the Company's Articles of Association, the Directors present at the Meeting **RESOLVED** to appoint Mr Boey Tak Kong as Chairman of today's meeting.

2. QUORUM

There being a quorum, the Extraordinary General Meeting ("EGM") of Green Packet Berhad was duly convened.

3. NOTICE

The Notice convening the Meeting having been served on shareholders was taken as read.

4. WELCOME ADDRESS

On behalf of the Directors, the Chairman, Mr Boey Tak Kong, welcomed shareholders to the EGM of Green Packet Berhad. He informed that Dato' Lai Yit Loong has been appointed as an Independent Non-Executive Director of the Company since 27 August 2018. He then invited the Directors and the Company Secretary to introduce themselves to the shareholders.

The Chairman then put forward the following Ordinary Resolution to the floor for questions and answers session.

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 150,202,583 NEW ORDINARY SHARES IN GPB ("GPB SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 5 EXISTING GPB SHARES HELD, TOGETHER WITH UP TO 450,607,749 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 3 WARRANTS FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, BASED ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"**THAT,** subject to the approvals of all relevant authorities being obtained, where required, approval be and is hereby given to the Board of Directors of GPB ("Board") for the following:-

i. to provisionally allot and issue by way of a renounceable rights issue of up to 150,202,583 Rights Shares on the basis of 1 Rights Share for every 5 existing GPB Shares held, together with up to 450,607,749 free detachable Warrants on the basis of 3 Warrants for every 1 Rights Share subscribed for, by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("Entitlement Date");

ii. to determine the final issue price of the Rights Shares and the final exercise price of the Warrants after taking into consideration the basis and justification for determining such prices, as set out in the Circular;

iii. wherein each of the Warrant will carry the right to subscribe, subject to any adjustment in accordance with the deed poll constituting the Warrants ("Deed Poll"), at any time during the exercise period, for 1 new GPB Share at an exercise price to be determined and fixed at a later date by the Board;

iv. to allot and issue such number of new GPB Shares arising from the exercise of the Warrants, from time to time during the tenure of the Warrants, in accordance with the provisions of the Deed Poll;

v. to allot and issue such further Warrants and new GPB Shares arising from the exercise of such further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/ or as may be required by the relevant authorities; and

vi. to do all such acts and things including but not limited to the application to Bursa Malaysia Securities Berhad for the listing of and quotation for the new GPB Shares which may from time to time be allotted and issued arising from the exercise of the Warrants.

THAT the proceeds arising from the Proposed Rights Issue with Warrants be utilised as set out in the Circular, and the Board be and is hereby authorised will full power to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/ or expedient, subject to the approval of the relevant authorities, where required;

THAT any fractional entitlements of the Rights Share and Warrants, if any, will be dealt with in such manner and on such terms and conditions as the Board shall in its absolute discretion deem fit or expedient and in the best interest of the Company;

THAT the Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the Rights Shares;

THAT the new Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the new Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the said new Shares;

THAT the Directors of the Company be and are hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Directors of the Company, and with full powers to implement and give effect to the terms and conditions of the Deed Poll;

AND THAT, the Directors of the Company be and are hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may deem fit, necessary and/ or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants."

The Chairman invited questions from shareholders.

As there were no questions raised by the shareholders, the Chairman proceeded to put the resolution to the Meeting for a proposer and seconder.

It was proposed by Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Boon Hong (per proxyholder, Ms. Liew Chell Pynn and seconded by Ms Wong Mei Yin (per proxyholder, Mr Yeap Mun Hoe).

The Chairman informed that in line with the Main Market Listing Requirements, the voting process of the EGM would be conducted by way of electronic polling. The Company has appointed Symphony Share Registrars Sdn Bhd as the Poll Administrator to conduct the polling process and Symphony Corporatehouse Sdn Bhd as Scrutineers to verify the poll results.

5. POLLING PROCESS

The Chairman invited Encik Aznal, the representative of Symphony Share Registrars Sdn Bhd to brief on the polling procedures.

Encik Aznal explained to the shareholders and proxies the procedures for e-voting. Each shareholder or proxy would be directed to the polling counter to commence voting. Each shareholder and proxy were issued with a personalized barcode wristband during registration.

The Meeting was adjourned at 10:20 a.m. for 10 minutes for the polling.

6. ANNOUNCEMENT OF POLL RESULT

The EGM was re-convened at 10:30 a.m. and the Chairman called the Meeting to order for the declaration of the poll results duly verified by the Scrutineers, Symphony Corporatehouse Sdn Bhd. The polling result was projected on the screen in the meeting room.

The Chairman informed that the Ordinary Resolution tabled at the EGM was duly carried.

7. CONCLUSION

On behalf of the Board of Directors, the Chairman expressed appreciation and thanks to all shareholders for their presence and participation at the Meeting.

The Meeting concluded at 10:31 a.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT

Chairman

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia on 15 December 2000 under the Companies Act, 1965 as a private limited company under the name of Palm Wireless (M) Sdn Bhd. We changed our name to Green Packet (Malaysia) Sdn Bhd on 11 July 2001 and then to Green Packet Sdn Bhd on 17 March 2004. On 29 June 2004, our Company was converted into a public limited company and we assumed our present name. On 25 May 2005, we were listed on the MESDAQ Market (now known as ACE Market) of Bursa Securities, and on 18 July 2007, we were subsequently transferred to the Main Board (now known as Main Market) of Bursa Securities.

We are principally involved in the business of investment holdings, research, development, marketing and distribution of wireless networking and telecommunication, media and IoT products, communication services, consumer digital services and other high technology products and services.

Further details of the principal activities of our subsidiary companies and associate companies are set out in Section 5 of this Appendix.

2. SHARE CAPITAL

As at the LPD, our issued share capital are set out below:-

	No. of Shares	RM
Issued share capital	758,720,619*1	155,879,927*1

Note:-

*1 Inclusive of 7,707,700 treasury shares

Save as disclosed below, there are no changes in our issued share capital for the past 3 years preceding the LPD:-

Date of change	No. of shares allotted	Issue price RM	Consideration/ Type of issue	Cumulative no. of shares	Cumulative issued share capital RM
20.03.2017	68,273,900	0.265	Private placement	758,720,619	155,879,927*1

Note:-

*1 Also less the expenses of RM0.302 million incurred for the private placement exercise

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The shareholdings of our substantial shareholders as at the LPD and after the Rights Issue with Warrants are set out below:-

Minimum Scenario

	Shareholdings as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants[*3]			
	<-------Direct------->		<-------Indirect-------->		<--------Direct-------->		<-------Indirect-------->		<-------Direct------>		<------Indirect------>	
Substantial shareholders	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*3]**	**No. of Shares**	**%[*3]**
GPHL	141,000,000	18.77	-	-	169,200,000	21.46	-	-	253,800,000	28.17	-	-
CC Puan	76,320,770	10.16	141,000,000[*4]	18.77	85,584,924	10.85	169,200,000[*4]	21.46	113,377,386	12.59	253,800,000[*4]	28.17
Tan Sri Dato' Kok Onn	5,143,800	0.68	141,000,000[*4]	18.77	5,143,800	0.65	169,200,000[*4]	21.46	5,143,800	0.57	253,800,000[*4]	28.17

Notes:-

*1 Computed based on 751,012,919 GPB Shares in issue (excluding treasury shares) as the LPD

*2 Computed based on 788,477,073 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants under the Minimum Scenario

*3 Computed based on 900,869,535 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Minimum Scenario

*4 Deemed interested by virtue of their substantial shareholdings in GPHL pursuant to Section 8 of the Act

Maximum Scenario

Substantial shareholders	Shareholdings as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants			
	<--------Direct-------->		<--------Indirect------->		<--------Direct-------->		<-------Indirect-------->		<--------Direct-------->		<-------Indirect------>	
	No. of Shares	**%*1**	**No. of Shares**	**%*1**	**No. of Shares**	**%*2**	**No. of Shares**	**%*2**	**No. of Shares**	**%*3**	**No. of Shares**	**%*3**
GPHL	141,000,000	18.77	-	-	169,200,000	18.77	-	-	253,800,000	18.77	-	-
CC Puan	76,320,770	10.16	141,000,000*4	18.77	91,584,924	10.16	169,200,000*4	18.77	137,377,386	10.16	253,800,000*4	18.77
Tan Sri Dato' Kok Onn	5,143,800	0.68	141,000,000*4	18.77	6,172,560	0.68	169,200,000*4	18.77	9,258,840	0.68	253,800,000*4	18.77

Notes:-

*1 Computed based on 751,012,919 GPB Shares in issue (excluding treasury shares) as the LPD

*2 Computed based on 901,215,502 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants under the Maximum Scenario

*3 Computed based on 1,351,823,251 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Maximum Scenario

*4 Deemed interested by virtue of their substantial shareholdings in GPHL pursuant to Section 8 of the Act

4. DIRECTORS

The particulars of our Directors as at the LPD are set out below:-

Name	Address	Age	Nationality	Profession	Designation
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman	No. 34, Jalan Tualang Bukit Bandaraya 59100 Kuala Lumpur	86	Malaysian	Company Director	Chairman/ Independent Non-Executive Director
Puan Chan Cheong	No. 2A Villa Bovelin Lorong Awan Cina Taman Yarl (Off Old Klang Road) 58200 Kuala Lumpur	50	Malaysian	Company Director/ Businessman	Non-Independent Non-Executive Director
Tan Kay Yen	No.6, Jalan SS2/43 47300 Petaling Jaya Selangor Darul Ehsan	47	Malaysian	Company Director/ Chief Executive Officer	Chief Executive Officer cum Executive Director
Tan Sri Dato' Kok Onn	2A Jalan Mambu Bukit Bandaraya Bangsar 59100 Kuala Lumpur	67	Malaysian	Company Director/ Businessman	Non-Independent Non-Executive Director
Boey Tak Kong	Suite 3 Level 5 Block 693 Desa Kiara Damansara Jalan Damansara 60000 Kuala Lumpur	64	Malaysian	Company Director/ Management Consultant	Independent Non-Executive Director
A. Shukor Bin S.A. Karim	Lot 14535 Off Jalan 5 Kemensah Heights Ulu Kelang 68000 Ampang Selangor Darul Ehsan	62	Malaysian	Company Director	Independent Non-Executive Director
Dato' Lai Yit Loong	No. 196, 24th Floor Chung Cheng Road Section 2 Shih Lin District Taipei 111, Taiwan	54	Malaysian	Company Director/ Executive Vice President (Sales & Marketing)	Independent Non-Executive Director

The shareholdings of our Directors as at the LPD and after the Rights Issue with Warrants (assuming all the Directors fully subscribe for their respective entitlements, if any, save for the Minimum Scenario where only the Undertaking Shareholders subscribe for their respective entitlement) are set out below:-

Minimum Scenario					I				II			
	Shareholdings as at the LPD				After the Rights Issue with Warrants				After I and assuming full exercise of the Warrants			
	<--------Direct------->		<---------Indirect-------->		<--------Direct------->		<---------Indirect------->		<---------Direct-------->		<--------Indirect--------->	
Directors	**No. of Shares**	**%*1**	**No. of Shares**	**%*1**	**No. of Shares**	**%*2**	**No. of Shares**	**%*2**	**No. of Shares**	**%*3**	**No. of Shares**	**%*3**
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman	-	-	-	-	-	-	-	-	-	-	-	-
Puan Chan Cheong	76,320,770	10.16	141,000,000*4	18.77	91,584,924	10.16	169,200,000*4	18.77	137,377,386	10.16	253,800,000*4	18.77
Tan Kay Yen	-	-	-	-	-	-	-	-	-	-	-	-
Tan Sri Dato' Kok Onn	5,143,800	0.68	141,000,000*4	18.77	5,143,800	0.65	169,200,000*4	21.46	5,143,800	0.57	253,800,000*4	28.17
Boey Tak Kong	1,950,000	0.26	-	-	1,950,000	0.25	-	-	1,950,000	0.22	-	-
A. Shukor Bin S.A. Karim	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Lai Yit Loong	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

*1 Computed based on 751,012,919 GPB Shares in issue (excluding treasury shares) as the LPD

*2 Computed based on 788,477,073 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants under the Minimum Scenario

*3 Computed based on 900,869,535 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Minimum Scenario

*4 Deemed interested by virtue of their substantial shareholdings in GPHL pursuant to Section 8 of the Act

Maximum Scenario

Directors	Shareholdings as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants			
	<--------Direct------->		<---------Indirect-------->		<--------Direct------->		<---------Indirect-------->		<---------Direct-------->		<--------Indirect--------->	
	No. of Shares	**%*1**	**No. of Shares**	**%*1**	**No. of Shares**	**%*2**	**No. of Shares**	**%*2**	**No. of Shares**	**%*3**	**No. of Shares**	**%*3**
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman	-	-	-	-	-	-	-	-	-	-	-	-
Puan Chan Cheong	76,320,770	10.16	141,000,000*4	18.77	91,584,924	10.16	169,200,000*4	18.77	137,377,386	10.16	253,800,000*4	18.77
Tan Kay Yen	-	-	-	-	-	-	-	-	-	-	-	-
Tan Sri Dato' Kok Onn	5,143,800	0.68	141,000,000*4	18.77	6,172,560	0.68	169,200,000*4	18.77	9,258,840	0.68	253,800,000*4	18.77
Boey Tak Kong	1,950,000	0.26	-	-	2,340,000	0.26	-	-	3,510,000	0.26	-	-
A. Shukor Bin S.A. Karim	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Lai Yit Loong	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

*1 Computed based on 751,012,919 GPB Shares in issue (excluding treasury shares) as the LPD

*2 Computed based on 901,215,502 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants under the Maximum Scenario

*3 Computed based on 1,351,823,251 GPB Shares (excluding treasury shares), being the enlarged pro forma number of GPB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Maximum Scenario

*4 Deemed interested by virtue of their substantial shareholdings in GPHL pursuant to Section 8 of the Act

Company No. 534942-H

5. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, our subsidiary companies are set out below:-

Name of company	Date and place of incorporation	Issued share capital	Effective equity interest %	Principal activities
Green Packet (Shanghai) Ltd	28.04.2004 PRC	USD10,345,586	100.0	Research, development, marketing and distribution of wireless networking and telecommunications products and solutions
Green Packet International Sdn Bhd	30.10.2006 Malaysia	RM500,000	100.0	Providing shared service function including finance, human resources, IT, administrative and others
Packet One Sdn Bhd	23.06.2006 Malaysia	RM2	100.0	Investment holding
First Wireless Sdn Bhd	28.03.2006 Malaysia	RM31,659,650	70.0	Development and marketing of wireless broadband equipment, systems and solutions
Next Telecommunications Sdn Bhd	10.07.1996 Malaysia	RM500,000	100.0	Provision of total communication services, solutions and products
Packet Interactive Sdn Bhd	15.03.2007 Malaysia	RM2,000,000	100.0	Provision of total contents and value added services
Green Packet Networks S.P.C[*1]	05.02.2007 Kingdom of Bahrain	BHD450,000	100.0	Supply and management of telecommunications network equipment
Green Packet Networks (Taiwan) Pte Ltd	07.06.2007 Taiwan	TWD50,000,000	100.0	Marketing and distribution of wireless networking and telecommunications products, networking solutions and other high technology products and services
NGT Networks Pte Ltd	20.04.2007 Singapore	SGD500,000	100.0	Provision of international voice traffic
Vivohub Mobile Pte Ltd	21.07.2017 Singapore	SGD100,000	60.0	Mobile cellular and other wireless telecommunications network operation; and retail sale of handphones and other telecommunications apparatus
Worldline Enterprise Sdn Bhd	03.08.1991 Malaysia	RM250,000	100.0	Letting and management of properties and property investment
Green Packet (S) Pte Ltd	22.10.2009 Singapore	USD1,000,002[*2]	100.0	Provision of wireless networking, telecommunications products, networking solutions and activities relating to high technology products and services
Enrich Bonus Sdn Bhd	21.03.2016 Malaysia	RM5,000,000	100.0	Dormant

Name of company	Date and place of incorporation	Issued share capital	Effective equity interest %	Principal activities
Kiple Sdn Bhd	08.11.2016 Malaysia	RM100,000	100.0	Provision of internet portal services, e-commerce and other web related business
Kiple Media Sdn Bhd	07.09.2017 Malaysia	RM500,000	100.0	Business of the media service provider
Webonline Dot Com Sdn Bhd	08.04.2000 Malaysia	RM4,550,000	100.0	Provision of internet portal services, e-commerce and other web related business
Mobiduu Solutions Sdn Bhd	23.07.2015 Malaysia	RM350,000	100.0	Mobile application development

As at the LPD, our associate companies are set out below:-

Name of company	Date and place of incorporation	Issued share capital	Effective equity interest %	Principal activities
G3 Global Berhad	31.01.2002 Malaysia	RM68,750,000	32.0	G3 Global Berhad is principally involved in investment holding, whilst its subsidiary companies are principally involved in the provision of services relating to specialised treatment and finishing process of jeanswear, and marketing, distributing and retailing of jeanswear, footwear, ready-made clothing, handbags and other fashion apparels as well as sales of ICT equipment, devices, wholesale voice and IoT products and services
Shenzhen Memo Technology Co Ltd	24.06.2014 PRC	RMB1,250,000	20.0	Research and development and sales of software, technical development and sales of electronic products, import and export of domestic trading, goods and technologies
Packet Interactive Entertainment (M) Sdn Bhd	08.02.2018 Malaysia	RM100	40.0	Provision of digital contents and value added services
Funsea Interactive Entertainment (M) Sdn Bhd	08.02.2018 Malaysia	RM100	40.0	Provision of digital contents and value added services

Notes:-

*1 In the midst of member's voluntary winding-up process

*2 Quoted based on the functional currency adopted by Green Packet (S) Pte Ltd in its latest audited financial statements for the FYE 31 December 2017

6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past 3 financial years/ period up to the FYE 31 December 2017 and our latest unaudited result for the 6-month FPE 30 June 2018 together with the corresponding preceding financial period:-

	<------Audited	------	------>	<----Unaudited	---->
	18-month FPE 31 December 2015*1 RM'000	**12-month FYE 31 December 2016 RM'000**	**12-month FYE 31 December 2017 RM'000**	**6-month FPE 30 June 2017 RM'000**	**6-month FPE 30 June 2018 RM'000**
Revenue	526,275	366,251	358,944	162,019	210,131
Cost of sales	(462,651)	(325,511)	(326,847)	(145,178)	(196,477)
Gross profit	**63,624**	**40,740**	**32,097**	**16,841**	**13,654**
Other income	6,086	153,523*3	11,713	543	1,282
Administrative expenses	(36,327)	(29,510)	(30,831)	(13,027)	(18,843)
Selling and distribution expenses	(2,854)	(4,705)	(4,041)	(2,244)	(1,788)
Other expenses	(23,279)	(12,116)	(6,077)	(1,938)	(2,006)
Finance costs	(18,296)	(16,372)	(17,667)	(8,067)	(9,414)
Share of result in associates	(116,961)	(56,617)	(2,620)	(852)	(1,943)
PBT/ (LBT)	**(128,007)**	**74,943**	**(17,426)**	**(8,744)**	**(19,058)**
Taxation	5,479	(4,279)	848	(226)	47
PAT/ (LAT) from continuing operations	(122,528)	70,664	(16,578)	(8,970)	(19,011)
PAT from discontinued operations*2	97,044	-	-	-	-
PAT/ (LAT)	**(25,484)**	**70,664**	**(16,578)**	**(8,970)**	**(19,011)**
Profit/ (loss) attributable to:-					
Owners of the Company	(2,947)	70,688	(16,197)	(8,799)	(17,268)
Non-controlling interests	(22,537)	(24)	(381)	(171)	(1,743)
	(25,484)	**70,664**	**(16,578)**	**(8,970)**	**(19,011)**
EBITDA/ (LBITDA)	30,529	12,410	6,045	1,646	(6,362)
EBITDA margin (%)	5.80	3.39	1.68	1.02	N.A
Gross profit margin (%)	12.09	11.12	8.94	10.39	6.50
PAT margin (%)	N.A	19.29	N.A	N.A	N.A
Number of shares in issue ('000) (excluding treasury shares)	685,739	682,739	751,013	751,013	751,013
EPS/ (LPS) *4 (sen)					
- Basic	(0.43)	10.35	(2.16)	(1.17)	(2.30)
- Diluted	(0.43)	10.35	(2.16)	(1.17)	(2.30)
Dividend paid (RM'000)	-	-	-	-	-

Notes:-

*1 Based on the audited results for the 18-month financial period ended 31 December 2015, as our Company's financial year end has been changed from 30 June to 31 December on 23 December 2014

*2 Attributable to the broadband segment which was discontinued in 2014 pursuant to an investment agreement entered on 27 March 2014 between the Company and Mobikom Sdn Bhd, SK Telecom Co Ltd, Packet One Sdn Bhd, Telekom Malaysia Berhad and Packet One Networks (Malaysia) Sdn Bhd ("PONSB"). Upon completion of the investment agreement on 30 September 2014, the effective shareholdings of our Company in PONSB was diluted from 55% to 31.1%. Consequently, PONSB ceased to be our subsidiary company and became our associate company, and that the financial results of PONSB was accounted for by our Company via equity accounting method

*3 Mainly derived from the one-off gains on further dilution of investment (from 31.1% to 18.9%) in Webe Digital Sdn Bhd ("Webe") (formerly known as PONSB) of RM49.39 million and fair value gains on reclassification from interest in associate to long term investment of RM98.25 million

*4 Computed based on the PAT/ (LAT) attributable to owners of our Company divided by the number of Shares in issue (excluding treasury shares)

Commentary on past performance:-

18-month FPE 31 December 2015

For the 18-month FPE 31 December 2015, our Company's financial period under review extends from 1 July 2014 to 31 December 2015, whereas for the preceding 18-month FPE 30 June 2014, our Company's financial period under review extends from 1 January 2013 to 30 June 2014.

Our segmental revenue contribution for the financial period under review as compared to the preceding financial period are as follows:-

	18-month FPE 30 June 2014 RM'000	18-month FPE 31 December 2015 RM'000
Revenue	430,171	526,275
Segmental breakdown		
- Communications	256,982	318,192
- Solutions	173,189	208,083

For the 18-month FPE 31 December 2015, our Group recorded revenue of RM526.28 million which represents an increase of RM96.11 million or 22.3% as compared to the preceding 18-month FPE 30 June 2014 of RM430.17 million, mainly due to the revenue contribution from our communications segment followed by our solutions segment. Our revenue contribution from communications segment was mainly attributable to the sales of voice traffic (i.e. voice minutes and data bandwidth) particularly from the ASEAN region. Meanwhile, our revenue contribution from solutions segment was mainly attributable to the sales achieved for our LTE product offerings, as existing clients particularly the telecommunication operators from overseas market were migrating from WIMAX to 4G LTE.

Our Group recorded gross profit of RM63.62 million for the financial period under review which represents an increase of approximately 10.3% as compared to the preceding financial period of RM57.66 million, due to the higher gross profit contribution from both our communications and solutions segments on the back of higher revenue.

Our other income for the financial period under review was RM6.09 million, which represents a decrease of approximately 66.4% as compared to the preceding financial period of RM18.15 million. The decrease in other income was mainly attributable to the recognition of a one-off gain on disposal of property, plant and equipment (being our former office building at Petaling Jaya) of RM13.28 million in the preceding financial period. Excluding the said one-off gain, our other income of RM6.09 million for the financial period under review would have represented an increase of approximately 25.1% as compared to the adjusted other income of RM4.87 million in the preceding financial period, mainly due to the increase in realised gain on foreign exchange.

Our administrative expenses for the financial period under review was RM36.33 million, which represents a decrease of approximately 9.9% as compared to the preceding financial period of RM40.34 million. The decrease in administrative expenses was mainly due to the reduction in staff costs and general administrative expenses as a consequence of our divestment of the controlling interest in the broadband business. For information purpose, our Group had divested the controlling interest in the broadband business, where on 27 March 2014, our Company had entered into an investment agreement with Mobikom Sdn Bhd, SK Telecom Co Ltd, Packet One Sdn Bhd, Telekom Malaysia Berhad and PONSB. Upon completion of the investment agreement on 30 September 2014, the effective shareholdings of our Company in PONSB was diluted from 55% to 31.1%. Accordingly, PONSB ceased to be our subsidiary company and was recognised as our associate company from then onwards.

Our selling and distribution expenses for the financial period under review was RM2.85 million, which represents an increase of approximately 86.3% as compared to the preceding financial period of RM1.53 million. The increase in selling and distribution expenses was mainly due to higher business development activities (i.e. participation in trade events/ conference) undertaken, which were in line with the increase in our Group's revenue.

Our other expenses for the financial period under review was RM23.28 million, which represents an increase of approximately 113.8% as compared to the preceding financial period of RM10.89 million. The increase in other expenses was mainly due to the write-off on inventories of RM11.94 million particularly in respect of WIMAX modem devices, as WIMAX operators in the ICT industry are increasingly migrating their networks towards 4G LTE network.

In addition, we had incurred share of losses from our associate company of RM116.96 million for the financial period under review as compared to nil in our preceding financial period. Our Group had in September 2014 divested the controlling interest in the broadband business which led to the dilution of our effective shareholdings in PONSB from 55% to 31.1%, and pursuant thereto, the share of results of PONSB was accounted for by our Company via equity accounting method. The share of losses from PONSB was mainly due to high marketing cost and network optimisation cost incurred by PONSB from growing its customer base and wireless broadband network for the commonly known P1 broadband coverage.

Our Group recorded LBT of RM128.01 million for the financial period under review whereas for the preceding financial period, our Group recorded PBT of RM2.26 million. The LBT was mainly contributed by the share of losses from our associate company, namely PONSB, which has been incurring losses over the years mainly due to high marketing cost and network optimisation cost incurred from growing its customer base and wireless broadband network.

FYE 31 December 2016

Our Company's financial year end has been changed from 30 June to 31 December on 23 December 2014 and as such, the comparative figures for the 12-month FYE 31 December 2016 and the 18-month FPE 31 December 2015 may not entirely be comparable. Purely for illustrative purpose, our Group's financial performance results for the 18-month FPE 31 December 2015 is pro-rated to 12-month FPE 31 December 2015, as illustrated below:-

	Pro-rated 12-month FPE 31 December 2015 RM'000	Audited FYE 31 December 2016 RM'000
Revenue	350,850	366,251
Segmental breakdown		
- Communications	212,128	234,499
- Solutions	138,722	131,752
Gross profit	42,416	40,740
Other income	4,057	153,523*1
Administrative expenses	(24,218)	(29,510)
Selling and distribution expenses	(1,903)	(4,705)
Other expenses	(15,519)	(12,116)
Share of result in associates	(77,974)	(56,617)
PBT/ (LBT)	**(85,338)**	**74,943**
PAT/ (LAT) attributable to owners of our Company	(1,965)	70,688

Note:-

*1 Mainly derived from the one-off gains on dilution of investment in Webe (formerly known as PONSB) of RM49.39 million and fair value gains on reclassification from interest in associate to long term investment of RM98.25 million

For the FYE 31 December 2016, our Group recorded revenue of RM366.25 million which represents an increase of RM15.40 million or 4.4% as compared to the pro-rated 12-month FPE 31 December 2015 of RM350.85 million, mainly due to higher revenue contribution from our communications segment driven by better sales performance of voice traffic (i.e. voice minutes and data bandwidth) particularly from ASEAN region and India.

Our Group recorded gross profit of RM40.74 million for the financial year under review which represents a decrease of approximately 4.0% as compared to the pro-rated 12-month FPE 31 December 2015 of RM42.42 million, mainly attributable to the declining growth in our gross profit contribution from our communications segment. Notwithstanding the higher revenue growth in our communications segment, our gross profit contribution in our communications segment continued to decline as we continue to face pricing pressure for our international voice wholesale activities due to intensified competition within the global telecommunication market.

Our other income for the financial year under review was RM153.52 million, which represents an increase of approximately 3,681.3% as compared to the pro-rated 12-month FPE 31 December 2015 of RM4.06 million. The increase in other income was mainly due to the one-off gains on dilution of investment in Webe (formerly known as PONSB) of RM49.39 million and fair value gains on reclassification from interest in associate to long term investment of RM98.25 million.

Our administrative expenses for the financial year under review was RM29.51 million, which represents an increase of approximately 21.8% as compared to the pro-rated 12-month FPE 31 December 2015 of RM24.22 million. The increase in administrative expenses was mainly due to the increase in staff costs and general administrative costs incurred in line with our plan to develop business opportunities in the digital services segment.

Our selling and distribution expenses for the financial year under review was RM4.71 million, which represents an increase of approximately 147.89% as compared to the pro-rated 12-month FPE 31 December 2015 of RM1.90 million. The increase in selling and distribution expenses was mainly due to higher business development activities (i.e. participation in trade events/ conference, overseas travelling and advertising expenses) undertaken, which were in line with the increase in our Group's revenue.

Our other expenses for the financial year under review was RM12.12 million, which represents a decrease of approximately 21.9% as compared to the pro-rated 12-month FPE 31 December 2015 of RM15.52 million. The decrease in other expenses was mainly due to the absence of write-off on inventories of RM11.94 million that was made by our Group, whilst partially offset by the impairment of goodwill on investment of RM5.80 million in our subsidiary company, namely Green Packet Networks S.P.C, following the closure of our sales office in Bahrain, which was made in the financial year under review.

In addition, we had incurred share of losses from our associate companies of RM56.62 million in the financial year under review, which represent a decrease of approximately 27.4% as compared to the pro-rated 12-month FPE 31 December 2015 of RM77.97 million. Our Group had mainly incurred lower share of losses from our associate company, namely Webe (formerly known as PONSB), in the financial year under review from 1 January 2016 to 31 July 2016 following the further dilution of our Company's interest in Webe from 31.1% to 18.9%. Following the said dilution, Webe has ceased to be our associate company on 31 July 2016, and that the financial results of Webe was no longer equity accounted for by our Company from August 2016 onwards.

Our Group recorded PBT of RM74.94 million for the financial year under review whereas for the pro-rated 12-month FPE 31 December 2015, our Group recorded LBT of RM85.34 million. The PBT was mainly contributed by other income, which was mainly derived from the one-off gains on dilution of investment in Webe (formerly known as PONSB) of RM49.39 million and fair value gains on reclassification from interest in associate to long term investment of RM98.25 million. Excluding the said one-off gains, our Group would have posted a lower adjusted LBT of RM72.70 million for the financial year under review, as compared to the LBT of RM85.34 million in the pro-rated 12-month FPE 31 December 2015. The lower adjusted LBT was mainly attributable to the lower share of losses from our associate company, namely Webe, which was no longer equity accounted for by our Company from August 2016 onwards pursuant to the further dilution of our interest in Webe.

FYE 31 December 2017

Our segmental revenue contribution for the financial year under review as compared to the preceding financial year are as follows:-

	FYE 31 December 2016 RM'000	FYE 31 December 2017 RM'000
Revenue	366,251	358,944
Segmental breakdown		
- Communications	234,499	256,022
- Solutions	131,752	101,193
- Digital services	-	1,729

For the FYE 31 December 2017, we had introduced our digital services segment in 2017 following our investment in the Fintech business via the deployment of our payment gateway services under the brand of "kiplePay" to the Malaysian market. Our Group recorded revenue of RM358.94 million for the financial year under review which represents a decrease of RM7.31 million or 2.0% as compared to the preceding financial year of RM366.25 million, mainly due to the reduction in the revenue contribution from our solutions segment which had decreased from RM131.75 million (FYE 31 December 2016) to RM101.19 million (FYE 31 December 2017) offset by the higher revenue growth posted in our communications segment which had increased from RM234.50 million (FYE 31 December 2016) to RM256.02 million (FYE 31 December 2017). Following our maiden investment in the Fintech business in early 2017, our Group's digital services segment had managed to derive a marginal revenue contribution mainly coming from the provision of payment gateway services in the Malaysian market.

Our Group recorded gross profit of RM32.10 million for the financial year under review which represents a decrease of approximately 21.2% as compared to the preceding financial year of RM40.74 million, mainly attributable to the declining growth in our gross profit contribution from our communications segment, followed by solutions segment. Notwithstanding the higher revenue growth in our communications segment, our gross profit contribution in our communications segment continued to decline as we continue to face pricing pressure for our international voice wholesale activities due to intensified competition within the global telecommunication market. In addition, our digital services segment contributed a marginal gross profit contribution to our total gross profit.

Our other income for the financial year under review was RM11.71 million, which represents a decrease of approximately 92.4% as compared to the preceding financial year of RM153.52 million. The decrease in other income was mainly attributable to the absence of the recognition of the one-off gains on dilution in Webe (formerly known as PONSB) of RM49.39 million and fair value gains on reclassification from interest in associate to long term investment of RM98.25 million recorded in the preceding financial year. Excluding the said one-off gains, our other income of RM11.71 million for the financial year under review would have represented an increase of approximately 99.1% as compared to the adjusted other income of RM5.88 million in the preceding financial year, mainly due to a gain on fair value adjustment in quoted securities (i.e. G3 Global Berhad warrants) and partially offset by the decrease in realised gain on foreign exchange. For avoidance of doubt, G3 Global Berhad is our 32%-owned associate company.

Our administrative expenses for the financial year under review was RM30.83 million, which represents an increase of approximately 4.5% as compared to the preceding financial year of RM29.51 million. The increase in administrative expenses was mainly due to the higher rental charges as our Group had rented a new office premise at Kelana Jaya since end of 2016 to accommodate the increase in our total workforce in line with the development of new business opportunities in our digital services segment.

Our selling and distribution expenses for the financial year under review was RM4.04 million, which represents a decrease of approximately 14.2% as compared to the preceding financial year of RM4.71 million. The decrease in selling and distribution expenses was mainly due to the lower business development costs (i.e. participation in trade events/ conference, overseas travelling and advertising expenses) incurred in the financial year under review as compared to the preceding financial year.

Our other expenses for the financial year under review was RM6.08 million, which represents a decrease of approximately 49.8% as compared to the preceding financial year of RM12.12 million. The decrease in other expenses was mainly due to the absence of impairment of goodwill on investment of RM5.80 million in our subsidiary company, namely Green Packet Networks S.P.C, which was made by our Group in the preceding financial year.

In addition, we had incurred share of losses from our associate companies of RM2.62 million in the financial year under review, which represents a decrease of approximately 95.4% as compared to the preceding financial year of RM56.62 million. The decrease in share of losses was mainly due to the cessation of Webe (formerly known as PONSB) as our associate company in the preceding financial year following the further dilution of our investment in Webe (from 31.1% to 18.9%), during which we no longer equity account its financial results from August 2016 onwards, and hence there were no share of losses from Webe since then. Notwithstanding that, we continue to derive share of losses of RM2.62 million for the financial year under review, mainly attributable to our 32%-owned associate company, namely G3 Global Berhad.

Our Group recorded LBT of RM17.43 million for the financial year under review whereas for the preceding financial year, our Group recorded PBT of RM74.94 million. The PBT recorded in the preceding financial year was mainly attributable to the one-off gains on dilution of investment in Webe (formerly known as PONSB) of RM49.39 million and fair value gains on reclassification from interest in associate to long term investment of RM98.25 million. Excluding the said one-off gains, our LBT of RM17.43 million for the financial year under review would have been lower than the adjusted LBT of RM72.70 million in the preceding financial year. The lower LBT was mainly due to lower share of losses from associate companies following the cessation of Webe as our associate company in the preceding financial year as well as lower other expenses incurred.

6-month FPE 30 June 2018

Our segmental revenue contribution for the financial period under review as compared to the preceding financial period are as follows:-

	6-month FPE 30 June 2017 RM'000	6-month FPE 30 June 2018 RM'000
Revenue	162,019	210,131
Segmental breakdown		
- Communications	108,794	183,633
- Solutions	52,662	24,673
- Digital services	563	1,825

For the 6-month FPE 30 June 2018, our Group recorded revenue of RM210.13 million which represents an increase of RM48.11 million or 29.7% as compared to the preceding financial period of RM162.02 million, mainly due to the increase in revenue contribution from our communications segment which derived sales of voice traffic (i.e. voice minutes and data bandwidth) mainly from India and the ASEAN region, particularly Singapore and Myanmar.

Our Group recorded gross profit of RM13.65 million for the financial period under review which represents a decrease of approximately 18.9% as compared to the preceding financial period of RM16.84 million, mainly due to the lower gross profit contribution from our solutions segment on the back of lower sales order for optical modems from one of our major customers in Philippines due to competition from our competitors who are able to provide lower pricing for their modem devices.

Our other income for the financial period under review was RM1.28 million, which represents an increase of approximately 137.0% as compared to the preceding financial period of RM0.54 million. The increase in other income was mainly due to a gain on fair value adjustment in quoted securities (i.e. G3 Global Berhad warrants) amounting to RM0.53 million. For avoidance of doubt, G3 Global Berhad is our 32%-owned associate company.

Our administrative expenses for the financial period under review was RM18.84 million, which represents an increase of approximately 44.6% as compared to the preceding financial period of RM13.03 million. The increase in administrative expenses was mainly due to the increase in staff costs and general administrative costs incurred in line with the increase in our total workforce to build our digital services segment.

Our selling and distribution expenses for the financial period under review was RM1.79 million, which represents a decrease of approximately 20.1% as compared to the preceding financial period of RM2.24 million. The decrease in selling and distribution expenses was mainly due to the lower business development costs (i.e. participation in trade events/ conference, overseas travelling and advertising expenses) incurred in the financial period under review as compared to the preceding financial period.

Our other expenses for the financial period under review was RM2.01 million, which represents an increase of approximately 3.6% as compared to the preceding financial period of RM1.94 million.

In addition, we had incurred share of losses from our associate companies of RM1.94 million in the financial period under review, which represent an increase of approximately 128.2% as compared to the preceding financial period of RM0.85 million, mainly attributable to the increase in share of losses from our 32%-owned associate company, namely G3 Global Berhad.

Our Group recorded LBT of RM19.06 million for the financial period under review, which was higher than the LBT of RM8.74 million in the preceding financial period. The higher LBT was mainly due to the lower gross profit contribution from our solutions segment, higher administrative expenses incurred as well as higher share of losses from our 32%-owned associate company, namely G3 Global Berhad.

7. HISTORICAL PRICES

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past 12 months from October 2017 to September 2018 are set out below:-

	High RM	Low RM
2017		
October	0.41	0.35
November	0.45	0.39
December	0.56	0.41
2018		
January	0.59	0.53
February	0.56	0.47
March	0.48	0.36
April	0.40	0.30
May	0.34	0.28
June	0.42	0.30
July	0.39	0.35
August	0.45	0.37
September	0.39	0.37

Last transacted market price on 21 June 2018 (being the date prior to the announcement on the Rights Issue with Warrants)	RM0.34
Last transacted market price on the LPD	RM0.36
Last transacted market price on 29 October 2018 (being the date prior to the ex-date for the Rights Issue with Warrants)	RM0.40

(Source: Bloomberg Finance Singapore L.P.)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON

Crowe

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18 October 2018

The Board of Directors
Green Packet Berhad
B-23A-3, The Ascent Paradigm
No. 1, Jalan SS 7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

GREEN PACKET BERHAD ("GPB" or the "Company")
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of GPB and its subsidiaries (collectively known as the "Group") as at 31 December 2017, for which we have stamped for the purpose of identification. The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board of Directors of the Company for inclusion in the Abridged Prospectus, in connection with the renounceable rights issue of up to 150,202,583 new ordinary shares in GPB ("GPB Shares(s)") ("Rights Share(s)") on the basis of 1 Rights Share for every 5 existing GPB Shares held, together with up to 450,607,749 free detachable warrants ("Warrant(s)") on the basis of 3 Warrants for every 1 Rights Share subscribed for, as at 5.00 p.m. on Thursday, 1 November 2018 at an issue price of RM0.40 per Rights Share ("Rights Issue with Warrants").

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Consolidated Statements of Financial Position are set out in Note 2 of Appendix 1.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board of Directors, for illustrative purposes only, to illustrate the effects of the Rights Issue with Warrants, reduction of the issued share capital of GPB pursuant to Section 116 of the Companies Act, 2016 ("Capital Reduction") and establishment of a share grant scheme ("SGS") of up to 15% of the total number of issued shares of GPB (excluding treasury shares) on the audited consolidated statements of financial position of the Group as at 31 December 2017. The Board of Directors intends to effect the Capital Reduction and the SGS after the completion of the Rights Issue with Warrants. As part of this process, information about the Group's consolidated statements of financial position has been extracted by the Board of Directors from the audited consolidated financial statements of the Group for the financial year ended 31 December 2017.

Company No. 534942-H

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THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as described in Note 2 of Appendix 1.

REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirement of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standard Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in Note 2 of Appendix 1.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) *3420, Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis as described in Note 2 of Appendix 1.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

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REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

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

OPINION

In our opinion, the Pro Forma Consolidated Statements of Financial Position of the Group have been compiled, in all material respects, on the basis set out in Note 2 of Appendix 1.

Company No. 534942-H

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OTHER MATTER

This letter has been prepared solely for the purpose stated above, in connection with the Rights Issue with Warrants. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

Crowe Malaysia
Firm No: AF 1018
Chartered Accountants
Kuala Lumpur

Ooi Song Wan
Approval No: 02901/10/2020 J
Chartered Accountant

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APPENDIX 1

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

Minimum Scenario

	Note	Audited 31.12.2017 RM'000	Pro Forma I Rights Issue with Warrants RM'000	Pro Forma II After Pro Forma I and assuming full exercise of the Warrants RM'000	Pro Forma III After Pro Forma II and Capital Reduction RM'000
ASSETS					
Non-current assets					
Investment in an associates		38,099	38,099	38,099	38,099
Plant and equipment		6,626	6,626	6,626	6,626
Other investments		267,621	267,621	267,621	267,621
Goodwill		2,481	2,481	2,481	2,481
Development costs		8,534	8,534	8,534	8,534
Other intangible assets		9,941	9,941	9,941	9,941
		333,302	**333,302**	**333,302**	**333,302**
Current assets					
Inventories		1,347	1,347	1,347	1,347
Trade receivables		148,077	148,077	148,077	148,077
Other receivables, deposits and prepayments		9,318	9,318	9,318	9,318
Amount owing by associates		18,572	18,572	18,572	18,572
Current tax assets		2,479	2,479	2,479	2,479
Short-term investments		1,185	1,185	1,185	1,185
Fixed deposits with licensed banks		9,786	9,786	9,786	9,786
Cash and bank balances	5	31,110	45,296	90,253	89,823
		221,874	**236,060**	**281,017**	**280,587**
Total assets		**555,176**	**569,362**	**614,319**	**613,889**

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APPENDIX 1

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

Minimum Scenario (Cont'd)

	Note	Audited 31.12.2017 RM'000	Pro Forma I Rights Issue with Warrants RM'000	Pro Forma II After Pro Forma I and assuming full exercise of the Warrants RM'000	Pro Forma III After Pro Forma II and Capital Reduction RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	6	155,880	161,869	215,023	172,304
Treasury shares	6	(12,217)	(12,217)	(12,217)	(12,217)
Share premium	6	412,796	412,796	412,796	-
Warrant reserve	6	-	8,197	-	-
Other reserves	6	44,766	44,766	44,766	44,766
Accumulated losses	6	(433,466)	(433,466)	(433,466)	21,619
Equity attributable to the owners of the Company		**167,759**	**181,945**	**226,902**	**226,472**
Non-controlling interests		1,723	1,723	1,723	1,723
Total equity		**169,482**	**183,668**	**228,625**	**228,195**
Non-current liabilities					
Hire purchase payables		260	260	260	260
Exchangeable Medium Term Notes		233,711	233,711	233,711	233,711
Term loans		410	410	410	410
Deferred tax liabilities		2,481	2,481	2,481	2,481
		236,862	**236,862**	**236,862**	**236,862**
Current liabilities					
Trade payables		128,537	128,537	128,537	128,537
Other payables and accruals		17,525	17,525	17,525	17,525
Amount owing to associates		2,347	2,347	2,347	2,347
Hire purchase payables		120	120	120	120
Term loans		303	303	303	303
		148,832	**148,832**	**148,832**	**148,832**
Total liabilities		**385,694**	**385,694**	**385,694**	**385,694**
Total equity and liabilities		**555,176**	**569,362**	**614,319**	**613,889**
No of GPB shares in issue (excluding treasury shares) ('000)		751,013	788,477	900,870	900,870
Net assets per GPB share (RM)		0.22	0.23	0.25	0.25
Total borrowings (RM'000)		234,804	234,804	234,804	234,804
Gearing ratio (times)		1.40	1.29	1.03	1.04

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APPENDIX 1

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

Maximum Scenario

	Note	Audited 31.12.2017 RM'000	Pro Forma I Rights Issue with Warrants RM'000	Pro Forma II After Pro Forma I and assuming full exercise of the Warrants RM'000	Pro Forma III After Pro Forma II and Capital Reduction RM'000
ASSETS					
Non-current assets					
Investment in an associates		38,099	38,099	38,099	38,099
Plant and equipment		6,626	6,626	6,626	6,626
Other investments		267,621	267,621	267,621	267,621
Goodwill		2,481	2,481	2,481	2,481
Development costs		8,534	8,534	8,534	8,534
Other intangible assets		9,941	9,941	9,941	9,941
		333,302	**333,302**	**333,302**	**333,302**
Current assets					
Inventories		1,347	1,347	1,347	1,347
Trade receivables		148,077	148,077	148,077	148,077
Other receivables, deposits and prepayments		9,318	9,318	9,318	9,318
Amount owing by associates		18,572	18,572	18,572	18,572
Current tax assets		2,479	2,479	2,479	2,479
Short-term investments		1,185	1,185	1,185	1,185
Fixed deposits with licensed banks		9,786	9,786	9,786	9,786
Cash and bank balances	5	31,110	90,391	270,634	270,204
		221,874	**281,155**	**461,398**	**460,968**
Total assets		**555,176**	**614,457**	**794,700**	**794,270**

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

Maximum Scenario (Cont'd)

	Note	Audited 31.12.2017 RM'000	Pro Forma I Rights Issue with Warrants RM'000	Pro Forma II After Pro Forma I and assuming full exercise of the Warrants RM'000	Pro Forma III After Pro Forma II and Capital Reduction RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	6	155,880	182,483	395,404	352,685
Treasury shares	6	(12,217)	(12,217)	(12,217)	(12,217)
Share premium	6	412,796	412,796	412,796	-
Warrant reserve	6	-	32,678	-	-
Other reserves	6	44,766	44,766	44,766	44,766
Accumulated losses	6	(433,466)	(433,466)	(433,466)	21,619
Equity attributable to the owners of the Company		**167,759**	**227,040**	**407,283**	**406,853**
Non-controlling interests		1,723	1,723	1,723	1,723
Total equity		**169,482**	**228,763**	**409,006**	**408,576**
Non-current liabilities					
Hire purchase payables		260	260	260	260
Exchangeable Medium Term Notes		233,711	233,711	233,711	233,711
Term loans		410	410	410	410
Deferred tax liabilities		2,481	2,481	2,481	2,481
		236,862	**236,862**	**236,862**	**236,862**
Current liabilities					
Trade payables		128,537	128,537	128,537	128,537
Other payables and accruals		17,525	17,525	17,525	17,525
Amount owing to associates		2,347	2,347	2,347	2,347
Hire purchase payables		120	120	120	120
Term loans		303	303	303	303
		148,832	**148,832**	**148,832**	**148,832**
Total liabilities		**385,694**	**385,694**	**385,694**	**385,694**
Total equity and liabilities		**555,176**	**614,457**	**794,700**	**794,270**
No of GPB shares in issue (excluding treasury shares) ('000)		751,013	901,216	1,351,823	1,351,823
Net assets per GPB share (RM)		0.22	0.25	0.30	0.30
Total borrowings (RM'000)		234,804	234,804	234,804	234,804
Gearing ratio (times)		1.40	1.03	0.58	0.58

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

1. CORPORATE EXERCISES

The Pro Forma Consolidated Statements of Financial Position of Green Packet Berhad ("GPB" or "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 December 2017, of which the Board of Directors of GPB ("Board of Directors") are solely responsible, have been prepared for illustrative purposes only on the assumption that the following corporate exercises had taken place on 31 December 2017:-

(a) renounceable rights issue of up to 150,202,583 new ordinary shares in GPB ("GPB Shares(s)") ("Rights Share(s)") on the basis of 1 Rights Share for every 5 existing GPB Shares held, together with up to 450,607,749 free detachable warrants ("Warrant(s)") on the basis of 3 Warrants for every 1 Rights Share subscribed for, as at 5.00 p.m. on Thursday, 1 November 2018 ("Entitlement Date") at an issue price of RM0.40 per Rights Share ("Rights Issue with Warrants");

(b) reduction of the issued share capital of GPB pursuant to Section 116 of the Companies Act, 2016 ("Act") ("Capital Reduction"); and

(c) establishment of a share grant scheme ("SGS") of up to 15% of the total number of issued shares of GPB (excluding treasury shares) ("SGS").

The Rights Issue with Warrants, Capital Reduction and SGS are collectively referred to as the "Corporate Exercises".

The Corporate Exercises are not conditional upon any other corporate exercises undertaken or to be undertaken by GPB.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

2. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position of the Group, of which the Board of Directors are solely responsible, have been prepared for illustrative purposes only, to show the effects of the Corporate Exercises on the audited consolidated statements of financial position of the Group as at 31 December 2017, had the following Corporate Exercises and the adjustments described in Note 3 been effected on that date, and should be read in conjunction with the notes thereto.

(a) Rights Issue with Warrants

The Rights Issue with Warrants is undertaken to raise gross proceeds of RM14.99 million for Minimum Scenario (as defined herein) and RM60.08 million for Maximum Scenario (as defined herein) based on the issue price of RM0.40 per Rights Share.

In order to meet a minimum subscription level of Rights Shares ("Minimum Subscription Level"), GPB has procured written irrevocable undertakings dated 22 June 2018 (which were further supplemented by the revised irrevocable undertakings dated 18 October 2018) from the following substantial shareholders:-

(i) Green Packet Holdings Ltd ("GPHL") will fully subscribe for its entitlement of 28,200,000 Rights Shares at an issue price of RM0.40 per Rights Share; and

(ii) Puan Chan Cheong ("CC Puan") will subscribe a minimum of 9,264,154 Rights Shares at an issue price of RM0.40 per Rights Share so as to meet the Minimum Subscription Level.

GPHL and CC Puan have undertaken that they will neither purchase nor dispose of any GPB Shares prior to the completion of the Rights Issue with Warrants.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(b) Capital Reduction

The Capital Reduction entails a reduction of the issued share capital of GPB to offset the credit arising against the entire accumulated losses of GPB as at 31 December 2017, via a special resolution and confirmation from the High Court of Malaya ("Court") in accordance with the Act.

As at 16 October 2018, being the latest practicable date ("LPD") prior to the registration of the Abridged Prospectus by the Securities Commission Malaysia, the issued share capital of the Company is RM155,879,927 comprising 758,720,619 GPB Shares (including 7,707,700 treasury shares) while its share premium stood at RM412,795,811. Pursuant to Sections 618(2) and 618(3) of the Act which took effect on 31 January 2017, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital. In this regard, in order to facilitate the Capital Reduction, the Company will transfer its entire share premium to share capital prior to the application to the Court for the Capital Reduction.

Based on the accumulated losses of the Company as at 31 December 2017 of RM455,515,247, the total share capital of the Company to be reduced will amount to RM455,515,247.

(c) SGS

The SGS entails the establishment and implementation of a SGS of up to 15% of the total number of issued shares of GPB (excluding treasury shares) at any point in time during the duration of the SGS for the executive directors and employees of GPB and its subsidiaries (excluding subsidiaries which are dormant) who fulfil the eligibility criteria ("Eligible Persons").

Under the SGS, no monetary consideration is required to be paid by the Eligible Persons for the acceptance of the grants and the subsequent vesting of the SGS shares. Once the grants are accepted by the Eligible Persons, they will be vested in tranches to the Eligible Persons, subject to the fulfilment of the vesting conditions in accordance with the terms of the by-laws.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(c) SGS (Cont'd)

In implementing the SGS, the SGS committee may in its sole and absolute discretion decide that the vesting of any GPB Share comprised in a grant ("SGS Shares") be satisfied by any of the following methods:-

(i) issuance and allotment of new GPB Shares by the Company;

(ii) acquisition of existing GPB Shares from the Main Market of Bursa Malaysia Securities Berhad;

(iii) transfer of GPB Shares held in treasury;

(iv) any other method as may be permitted by the Act; or

(v) a combination of any of the above.

The shareholders of GPB had approved both the Capital Reduction and the SGS at the Extraordinary General Meeting on 12 September 2018. The Board of Directors intends to effect the Capital Reduction and the SGS after the completion of the Rights Issue with Warrants.

The Pro Forma Consolidated Statements of Financial Position of the Group have been properly compiled using the audited consolidated financial statements of the Group for the financial year ended 31 December 2017, which were prepared in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia and in the manner consistent with both the format of the financial statements and the accounting policies of the Group.

3. PRO FORMA ADJUSTMENTS

The Pro Forma Consolidated Statements of Financial Position have been prepared to show the effects of the following:

a) the issuance of the Rights Shares and Warrants under the Rights Issue with Warrants; and

b) the full exercise of the Warrants.

c) the reduction of the issued share capital of GPB pursuant to the Capital Reduction.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

3. PRO FORMA ADJUSTMENTS (CONT'D)

Save for estimated expenses to be incurred in relation to the SGS, the SGS will not have any immediate effect on the consolidated net assets ("NA"), NA per GPB Share and gearing of the Company until such time the SGS Shares arising from the vesting of the grants are issued and allotted. Any potential effect on the consolidated NA, NA per GPB Share and gearing of the Company will depend on the mode of settlement of the grants and the number of SGS Shares to be issued, both of which can only be determined at the date of vesting. Assuming all the grants are satisfied through the issuance and allotment of SGS Shares, the consolidated NA per GPB Share is expected to be diluted.

4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For illustration purposes, the effects of the Rights Issue with Warrants shall be illustrated based on the following two (2) scenarios:-

Minimum Scenario:	Assuming the Rights Issue with Warrants is undertaken on a Minimum Subscription Level basis
Maximum Scenario:	Assuming the Rights Issue with Warrants is fully subscribed for, by the shareholders of GPB whose names appear in the Record of Depositors of the Company as at the close business on the Entitlement Date ("Entitled Shareholders") and/ or their renouncee(s)

<u>Fair Value of Warrants</u>

Pursuant to the Rights Issue with Warrants, the fair value assigned to the Warrants under the Minimum Scenario and Maximum Scenario of RM0.161 and RM0.159 each respectively are determined using the trinomial model based on the following input computed as at 16 October 2018, being the LPD prior to the registration of the Abridged Prospectus by the Securities Commission Malaysia:

a)	Exercise price	: RM0.40
b)	5-day volume weighted average market price up to and including 16 October 2018	: RM0.365
c)	Tenure	: 5 years from the date of issuance of the Warrants
d)	Volatility rate	: 48.740%
e)	Risk free interest rate	: 3.769%

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Minimum Scenario	Maximum Scenario
No. of Warrants	112,392,462	450,607,749
Warrant Reserve (RM'000) #	8,197	32,678

\# In arriving at the Warrant Reserve, the fair value of the Rights Shares and Warrants were adjusted for the apportionment of its relative fair value between the Share Capital account and the Warrant Reserve account.

4.1 Minimum Scenario

4.1.1 Pro Forma I

Pro Forma I incorporates the effects of the Rights Issue with Warrants.

The pro forma has taken into consideration the effects of estimated expenses of RM800,000 in relation to the Rights Issue with Warrants.

The gross proceeds arising from the Rights Issue with Warrants will be utilised in the following manner:

	Timeframe for utilisation	RM'000
Purchase of trade equipment	Within 24 months	11,700
General working capital	Within 24 months	2,486
Estimated expenses	Upon completion	800
		14,986

Pending utilisation of the said proceeds for the above purposes, the proceeds is intended to be placed in deposits with licensed financial institutions or short-term money market instruments.

4.1.2 Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and the effects of full exercise of the Warrants at an exercise price of RM0.40 per Warrant.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.1 Minimum Scenario (Cont'd)

4.1.3 Pro Forma III

Pro Forma III incorporates the cumulative effects of Pro Forma II and the effects of the Capital Reduction pursuant to Section 116 of the Act.

The pro forma has taken into consideration the transfer of the entire share premium of the Company amounting to RM412,795,811 to the share capital of the Company.

The pro forma has also taken into consideration the effects of estimated expenses of RM430,000 in relation to the Capital Reduction and SGS.

4.2 Maximum Scenario

4.2.1 Pro Forma I

Pro Forma I incorporates the effects of the Rights Issue with Warrants.

The pro forma has taken into consideration the effects of estimated expenses of RM800,000 in relation to the Rights Issue with Warrants.

The gross proceeds arising from the Rights Issue with Warrants will be utilised in the following manner:

	Timeframe for utilisation	RM'000
Purchase of trade equipment	Within 24 months	25,935
Future viable investment	Within 24 months	10,000
Working capital for media and digital services	Within 24 months	10,000
Working capital for Fintech solutions	Within 24 months	5,000
General working capital	Within 24 months	8,346
Estimated expenses	Upon completion	800
		60,081

Pending utilisation of the said proceeds for the above purposes, the proceeds is intended to be placed in deposits with licensed financial institutions or short-term money market instruments.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

4. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.2 Maximum Scenario (Cont'd)

4.2.2 Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and the effects of full exercise of the Warrants at an exercise price of RM0.40 per Warrant.

4.2.3 Pro Forma III

Pro Forma III incorporates the cumulative effects of Pro Forma II and the effects of the Capital Reduction pursuant to Section 116 of the Act.

The pro forma has taken into consideration the transfer of the entire share premium of the Company amounting to RM412,795,811 to the share capital of the Company.

The pro forma has also taken into consideration the effects of estimated expenses of RM430,000 in relation to the Capital Reduction and SGS.

5. CASH AND BANK BALANCES

The movements in cash and bank balances are as follows:-

Minimum Scenario

	RM'000
At 31 December 2017	31,110
Proceeds from Rights Issue with Warrants	14,986
Estimated expenses in relation to the Rights Issue with Warrants	(800)
As per Pro Forma I	45,296
Full exercise of Warrants	44,957
As per Pro Forma II	90,253
Estimated expenses in relation to the Capital Reduction and SGS	(430)
As per Pro Forma III	89,823

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

5. CASH AND BANK BALANCES (CONT'D)

Maximum Scenario

	RM'000
At 31 December 2017	31,110
Proceeds from Rights Issue with Warrants	60,081
Estimated expenses in relation to the Rights Issue with Warrants	(800)
As per Pro Forma I	90,391
Full exercise of Warrants	180,243
As per Pro Forma II	270,634
Estimated expenses in relation to the Capital Reduction and SGS	(430)
As per Pro Forma III	270,204

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

6. SHARE CAPITAL, TREASURY SHARES, SHARE PREMIUM, WARRANT RESERVE, OTHER RESERVES AND (ACCUMULATED LOSSES)/ RETAINED PROFIT

The movements in share capital, treasury shares, share premium, warrant reserve, other reserves and (accumulated losses)/ retained profit are as follows:-

Minimum Scenario

	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Warrant Reserve RM'000	Other Reserves RM'000	(Accumulated Losses)/ Retained Profit RM'000	Total RM'000
At 31 December 2017	155,880	(12,217)	412,796	-	44,766	(433,466)	167,759
Proceeds from Rights Issue with Warrants	6,789	-	-	8,197	-	-	14,986
Estimated expenses in relation to the Rights Issue with Warrants	(800)	-	-	-	-	-	(800)
As per Pro Forma I	161,869	(12,217)	412,796	8,197	44,766	(433,466)	181,945
Full exercise of Warrants	53,154	-	-	(8,197)	-	-	44,957
As per Pro Forma II	215,023	(12,217)	412,796	-	44,766	(433,466)	226,902
Transfer of share premium into share capital	412,796	-	(412,796)	-	-	-	-
Capital Reduction	(455,515)	-	-	-	-	455,515	-
Estimated expenses in relation to the Capital Reduction and SGS	-	-	-	-	-	(430)	(430)
As per Pro Forma III	172,304	(12,217)	-	-	44,766	21,619	226,472

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

6. SHARE CAPITAL, TREASURY SHARES, SHARE PREMIUM, WARRANT RESERVE, OTHER RESERVES AND (ACCUMULATED LOSSES)/ RETAINED PROFIT (CONT'D)

The movements in share capital, treasury shares, share premium, warrant reserve, other reserves and (accumulated losses)/ retained profit are as follows:-

Minimum Scenario (Cont'd)

	Share Capital Number of Shares ('000)	Treasury Shares Number of Shares ('000)	Total Number of Shares ('000)
At 31 December 2017	758,721	(7,708)	751,013
Arising from Rights Issue with Warrants	37,464	-	37,464
As per Pro Forma I	796,185	(7,708)	788,477
Arising from full exercise of Warrants	112,393	-	112,393
As per Pro Forma II/ III	908,578	(7,708)	900,870

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

6. SHARE CAPITAL, TREASURY SHARES, SHARE PREMIUM, WARRANT RESERVE, OTHER RESERVES AND (ACCUMULATED LOSSES)/ RETAINED PROFIT (CONT'D)

The movements in share capital, treasury shares, share premium, warrant reserve, other reserves and (accumulated losses)/ retained profit are as follows:-

Maximum Scenario

	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Warrant Reserve RM'000	Other Reserves RM'000	(Accumulated Losses)/ Retained Profit RM'000	Total RM'000
At 31 December 2017	155,880	(12,217)	412,796	-	44,766	(433,466)	167,759
Proceeds from Rights Issue with Warrants	27,403	-	-	32,678	-	-	60,081
Estimated expenses in relation to the Rights Issue with Warrants	(800)	-	-	-	-	-	(800)
As per Pro Forma I	182,483	(12,217)	412,796	32,678	44,766	(433,466)	227,040
Full exercise of Warrants	212,921	-	-	(32,678)	-	-	180,243
As per Pro Forma II	395,404	(12,217)	412,796	-	44,766	(433,466)	407,283
Transfer of share premium into share capital	412,796	-	(412,796)	-	-	-	-
Capital Reduction	(455,515)	-	-	-	-	455,515	-
Estimated expenses in relation to the Capital Reduction and SGS	-	-	-	-	-	(430)	(430)
As per Pro Forma III	352,685	(12,217)	-	-	44,766	21,619	406,853

Initialed For Identification Purposes Only
Crowe
Crowe Malaysia AF1018
(FKA Crowe Horwath)

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

6. SHARE CAPITAL, TREASURY SHARES, SHARE PREMIUM, WARRANT RESERVE, OTHER RESERVES AND (ACCUMULATED LOSSES)/ RETAINED PROFIT (CONT'D)

The movements in share capital, treasury shares, share premium, warrant reserve, other reserves and (accumulated losses)/ retained profit are as follows:-

Maximum Scenario (Cont'd)

	Share Capital Number of Shares ('000)	Treasury Shares Number of Shares ('000)	Total Number of Shares ('000)
At 31 December 2017	758,721	(7,708)	751,013
Arising from Rights Issue with Warrants	150,203	-	150,203
As per Pro Forma I	908,924	(7,708)	901,216
Arising from full exercise of Warrants	450,607	-	450,607
As per Pro Forma II/ III	1,359,531	(7,708)	1,351,823

APPENDIX IV

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON

ATTESTED COPY

Certified True Copy

....
Ooi Song Wan
Partner
Crowe Malaysia AF1018
(FKA Crowe Horwath)
Chartered Accountants

GREEN PACKET BERHAD

(Incorporated in Malaysia)

Company No: 534942 - H

FINANCIAL REPORT
for the financial year ended 31 December 2017

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GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding, research, development, marketing and distribution of wireless networking and telecommunication products, networking solutions and other high technology products and services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Loss after taxation for the financial year	(16,578)	(11,633)
Attributable to:-		
Owners of the Company	(16,197)	(11,633)
Non-controlling interests	(381)	-
	(16,578)	(11,633)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM138,089,344 to RM156,181,928 by way of an issuance of 68,273,900 new ordinary shares for a cash consideration of RM18,092,584 for the acquisition of new business and/or working capital purposes.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) there were no issues of debentures by the Company.

TREASURY SHARES

There were no purchases of any ordinary shares from the open market during the financial year.

As at 31 December 2017, the Company held a total of 7,707,700 of its 758,720,619 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM12,216,888. Relevant details on the treasury shares are disclosed in Note 22 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 39.1(c) to the financial statements. At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

The names of directors of the Company who served during the financial year and up to date of this report are as follows:-

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman
Tan Sri Dato' Kok Onn
Puan Chan Cheong
Tan Kay Yen
A. Shukor Bin S.A. Karim
Boey Tak Kong

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Liew Kok Seong
Nik Mat Bin Ismail
David Walter Mendes
James David Larsen
Tang Pen San
Tan Ley Cheong
T.Umadevi a/p S.Thiagarajan
Nilawati Binti Julaihi
Yap Chee Siong
Datuk Bhupatrai a/l Mansukhlal Premji
Shue, Ten Hwa
Chris Chia Woon Liat (Appointed on 8.9.2017)
Rashad Khaleel Mousa Bdeiri (Resigned on 31.7.2017)
Suhaima Binti Abd Hamid (Resigned on 31.7.2017)
Manirajah a/l Kulanthavelu (Resigned on 8.9.2017)
Yin Fei (Resigned on 14.11.2017)

GREEN PACKET BERHAD
(Incorporated in Malaysia)
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DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
The Company	At 1.1.2017	Bought	Sold	At 31.12.2017
Direct Interests				
Puan Chan Cheong	76,320,770	-	-	76,320,770
Tan Sri Dato' Kok Onn	2,000,000	3,143,800	-	5,143,800
Boey Tak Kong	750,000	1,200,000	-	1,950,000
Indirect Interests				
Puan Chan Cheong #	141,000,000	-	-	141,000,000
Tan Sri Dato' Kok Onn #	141,000,000	-	-	141,000,000

\# *Deemed interested by virtue of their direct substantial shareholdings in Green Packet Holdings Ltd.*

By virtue of their interests in shares in the Company, Puan Chan Cheong and Tan Sri Dato' Kok Onn are deemed to have interests in the shares in the related corporations during the financial year to the extent of the Company's interest, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 35 to the financial statements.

INDEMNITY AND INSURANCE COST

The directors and officers of the Group and the Company are covered by directors and officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM37,000. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 41 to the financial statements.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 30 to the financial statements.

Signed in accordance with a resolution of the directors dated 24 APR 2018

Puan Chan Cheong

Tan Kay Yen

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Puan Chan Cheong and Tan Kay Yen, being two of the directors of Green Packet Berhad, state that, in the opinion of the directors, the financial statements set out on pages 15 to 132 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2017 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 24 APR 2018

Puan Chan Cheong | **Tan Kay Yen**

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Liew Kok Seong, MIA Membership Number: 10099, being the officer primarily responsible for the financial management of Green Packet Berhad, do solemnly and sincerely declare that the financial statements set out on pages 15 to 132 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the declaration to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Liew Kok Seong, I/C No. 680730-10-6985,
at Kuala Lumpur in the Federal Territory
on this 24 APR 2018

Liew Kok Seong

Before me

PESURUHJAYA SUMPAH
NO. W 668
LAI DIN
1 JAN 2018 - 31 DEC 2018
MALAYSIA

B-3A-4, Megan Avenue 2,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

Crowe Horwath™

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Green Packet Berhad, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 132.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants ("IESBA Code")*, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Crowe Horwath.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN PACKET BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No: 534942 - H

Key Audit Matters (Cont'd)

Valuation of Other Investment Refer to Note 8 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The fair value of the investment in Webe Digital Sdn Bhd is determined through the application of valuation techniques by an independent professional valuer engaged by the Group. We focused on this area as it involved the exercise of significant judgement by the directors and the use of assumptions and estimates.	Our procedures included, amongst others:- (a) We assessed the fair value in accordance with Malaysian Financial Reporting Standard 13 – Fair Value Measurement. (b) We evaluated the objectivity, independence and capabilities of the independent professional valuer. (c) We assessed the appropriateness of the valuation techniques and checked the reasonableness of the discount rate and terminal growth rate used, with the assistance of our valuation experts. (d) We discussed with management the key assumptions used in the valuation model. (e) We also checked the sensitivity analysis on revenue growth, profit margins and discount rate.

Recoverability of Trade Receivables Refer to Note 14 and Note 39.1(b)(iii) to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
Trade receivables are a major component of the statement financial position of the Group and the debts past due have significantly increased as compared to the previous financial year. We focused on this area as the adequacy of the impairment loss for trade receivables involved the use of judgement.	Our procedures included, amongst others:- (a) We considered the history of cash receipts, and post year end cash receipts from the customers. (b) We tested the adequacy of the Group's impairment loss on trade receivables by assessing the relevant assumptions taking account of our own knowledge of recent collection experience and also historical data from the Group's previous collection experiences. (c) We also considered other payment arrangements between the group and its customers in the communication services segment.

Crowe Horwath.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN PACKET BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No: 534942 - H

Key Audit Matters (Cont'd)

Impairment of development costs and other intangible assets
Refer to Note 10 and Note 11 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
As disclosed in Note 10 and Note 11 to the financial statements, development costs and other intangible assets as at the reporting date amounted to RM8.53 million and RM9.94 million, respectively. The development costs and other intangible assets are subject to impairment assessment. The assessment has been performed by comparing the carrying amounts to their corresponding recoverable amounts. The recoverable amounts were determined using the value-in-use method, based on future financial information. We focused on these areas as significant judgement and estimates are applied in determining the recoverable amounts.	Our procedures included, amongst others:- (a) We obtained management's impairment analysis and gained an understanding of their impairment assessment process. (b) We reviewed the reasonableness of the key assumptions used and judgement made in determining the recoverable amount. (c) We also checked the sensitivity analysis on revenue growth, profit margins and discount rate.

Crowe Horwath.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN PACKET BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No: 534942 - H

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Crowe Horwath.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN PACKET BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No: 534942 - H

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Horwath.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN PACKET BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No: 534942 - H

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we also report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants
2 4 APR 2018
Kuala Lumpur

Ooi Song Wan
Approval No: 02901/10/2018 J
Chartered Accountant

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2017

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	39,082	39,692
Investments in associates	6	38,099	17,472	35,037	18,250
Plant and equipment	7	6,626	4,731	1,677	1,924
Other investments	8	267,621	209,623	58,135	137
Goodwill	9	2,481	-	-	-
Development costs	10	8,534	652	6,252	-
Other intangible assets	11	9,941	-	-	-
Deferred tax assets	12	-	-	320	360
		333,302	232,478	140,503	60,363
CURRENT ASSETS					
Inventories	13	1,347	800	109	199
Trade receivables	14	148,077	141,076	275	21,298
Other receivables, deposits and prepayments	15	9,318	23,865	2,873	11,043
Amount owing by subsidiaries	16	-	-	240,117	220,124
Amount owing by associates	17	18,572	-	-	-
Amount owing by a related party	18	-	-	18,240	-
Current tax assets		2,479	-	2,407	873
Short-term investments	19	1,185	14,813	1	13,882
Fixed deposits with licensed banks	20	9,786	13,336	3,192	5,050
Cash and bank balances		31,110	34,257	2,713	6,226
		221,874	228,147	269,927	278,695
TOTAL ASSETS		555,176	460,625	410,430	339,058

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2017 (CONT'D)

		The Group		The Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21	155,880	138,089	155,880	138,089
Treasury shares	22	(12,217)	(12,217)	(12,217)	(12,217)
Reserves	23	24,096	4,182	(2,459)	(31,134)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		167,759	130,054	141,204	94,738
NON-CONTROLLING INTERESTS		1,723	88	-	-
TOTAL EQUITY		169,482	130,142	141,204	94,738
NON-CURRENT LIABILITIES					
Hire purchase payables	24	260	364	260	364
Exchangeable Medium Term Notes	25	233,711	216,387	233,711	216,387
Term loans	26	410	-	-	-
Deferred tax liabilities	12	2,481	86	-	-
		236,862	216,837	233,971	216,751

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2017 (CONT'D)

		The Group		The Company	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
CURRENT LIABILITIES					
Trade payables	27	128,537	89,504	1	1,254
Other payables and accruals	28	17,525	23,256	2,209	2,397
Amount owing to subsidiaries	16	-	-	30,578	23,326
Amount owing to associates	17	2,347	-	2,347	-
Amount owing to a related party	18	-	456	-	456
Current tax liabilities		-	294	-	-
Hire purchase payables	24	120	136	120	136
Term loans	26	303	-	-	-
		148,832	113,646	35,255	27,569
TOTAL LIABILITIES		385,694	330,483	269,226	244,320
TOTAL EQUITY AND LIABILITIES		555,176	460,625	410,430	339,058

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		The Group		The Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
REVENUE	29	358,944	366,251	11,231	84,300
COST OF SALES		(326,847)	(325,511)	(3,920)	(70,964)
GROSS PROFIT		32,097	40,740	7,311	13,336
OTHER INCOME		11,713	153,523	14,186	7,949
		43,810	194,263	21,497	21,285
ADMINISTRATIVE EXPENSES		(30,831)	(29,510)	(10,688)	(11,045)
SELLING AND DISTRIBUTION EXPENSES		(4,041)	(4,705)	-	-
OTHER EXPENSES		(6,077)	(12,116)	(5,822)	(34,719)
FINANCE COSTS		(17,667)	(16,372)	(17,379)	(16,196)
SHARE OF RESULT IN ASSOCIATES, NET OF TAX		(2,620)	(56,617)	-	-
(LOSS)/PROFIT BEFORE TAXATION	30	(17,426)	74,943	(12,392)	(40,675)
INCOME TAX EXPENSE	31	848	(4,279)	759	(2,717)
(LOSS)/PROFIT AFTER TAXATION		(16,578)	70,664	(11,633)	(43,392)
OTHER COMPREHENSIVE INCOME, NET OF TAX					
<u>Item that may be reclassified subsequently to profit or loss:</u>					
- Foreign currency translation		(4,217)	2,015	(20)	16
- Fair value changes of available-for-sale financial assets		40,328	-	40,328	-
		36,111	2,015	40,308	16
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		19,533	72,679	28,675	(43,376)

The annexed notes form an integral part of these financial statements.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

		The Group		The Company	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(16,197)	70,688	(11,633)	(43,392)
Non-controlling interests		(381)	(24)	-	-
		(16,578)	70,664	(11,633)	(43,392)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		19,914	72,703	28,675	(43,376)
Non-controlling interests		(381)	(24)	-	-
		19,533	72,679	28,675	(43,376)
(LOSS)/EARNINGS PER SHARE (SEN)					
Basic	32	(2)	10		
Diluted	32	(2)	10		

The annexed notes form an integral part of these financial statements.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	<——	Non-distributable			——>	Distributable			
The Group	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Employees' Share Option Reserve RM'000	Accumulated Losses RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2016	138,089	(11,389)	412,796	6,640	18,577	(506,534)	58,179	112	58,291
Profit after taxation for the financial year	-	-	-	-	-	70,688	70,688	(24)	70,664
Other comprehensive income for the financial year: - foreign currency translation	-	-	-	2,015	-	-	2,015	-	2,015
Total comprehensive income	-	-	-	2,015	-	70,688	72,703	(24)	72,679
Balance carried forward	138,089	(11,389)	412,796	8,655	18,577	(435,846)	130,882	88	130,970

The annexed notes form an integral part of these financial statements.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

	<——— Non-distributable			———>	Distributable			
The Group	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Employees' Share Option Reserve RM'000	Accumulated Losses RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance brought forward	138,089	(11,389)	412,796	8,655	18,577	(435,846)	130,882	88	130,970
Purchase of treasury shares	-	(828)	-	-	-	-	(828)	-	(828)
Expiry of ESOS	-	-	-	-	(18,577)	18,577	-	-	-
	-	(828)	-	-	(18,577)	18,577	(828)	-	(828)
Balance at 31.12.2016	138,089	(12,217)	412,796	8,655	-	(417,269)	130,054	88	130,142

The annexed notes form an integral part of these financial statements.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

			<—— Non-distributable		——>	Distributable			
The Group	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Fair value Reserve RM'000	Accumulated Losses RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2017	138,089	(12,217)	412,796	8,655	-	(417,269)	130,054	88	130,142
Loss after taxation for the financial year	-	-	-	-	-	(16,197)	(16,197)	(381)	(16,578)
Other comprehensive income for the financial year:									
- foreign currency translation	-	-	-	(4,217)	-	-	(4,217)	-	(4,217)
- fair value changes of available-for-sale financial assets	-	-	-	-	40,328	-	40,328	-	40,328
Total comprehensive income	-	-	-	(4,217)	40,328	(16,197)	19,914	(381)	19,533
Balance carried forward	138,089	(12,217)	412,796	4,438	40,328	(433,466)	149,968	(293)	149,675

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

			<———	Non-distributable	———>		Distributable			
The Group	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Fair value Reserve RM'000	Accumulated Losses RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance brought forward		138,089	(12,217)	412,796	4,438	40,328	(433,466)	149,968	(293)	149,675
Acquisition of subsidiaries	33	-	-	-	-	-	-	-	1,864	1,864
Issuance of share by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	152	152
Issuance of shares	21	17,791	-	-	-	-	-	17,791	-	17,791
		17,791	-	-	-	-	-	17,791	2,016	19,807
Balance at 31.12.2017		155,880	(12,217)	412,796	4,438	40,328	(433,466)	167,759	1,723	169,482

The annexed notes form an integral part of these financial statements.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

			< Non-distributable		>		
The Company	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Employees' Share Option Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Balance at 1.1.2016	138,089	(11,389)	412,796	(64)	18,577	(419,067)	138,942
Loss after taxation for the financial year	-	-	-	-	-	(43,392)	(43,392)
Other comprehensive income for the financial year:							
- foreign currency translation	-	-	-	16	-	-	16
Total comprehensive income	-	-	-	16	-	(43,392)	(43,376)
Transactions with owners of the Company:							
- Purchase of treasury shares	-	(828)	-	-	-	-	(828)
- Expiry of ESOS	-	-	-	-	(18,577)	18,577	-
	-	(828)	-	-	(18,577)	18,577	(828)
Balance at 31.12.2016	138,089	(12,217)	412,796	(48)	-	(443,882)	94,738

The annexed notes form an integral part of these financial statements.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

				< Non-distributable		>		
The Company	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Balance at 1.1.2017		138,089	(12,217)	412,796	(48)	-	(443,882)	94,738
Loss after taxation for the financial year		-	-	-	-	-	(11,633)	(11,633)
Other comprehensive income for the financial year:								
- foreign currency translation		-	-	-	(20)	-	-	(20)
- fair value changes of available-for-sale financial assets		-	-	-	-	40,328	-	40,328
Total comprehensive income		-	-	-	(20)	40,328	(11,633)	28,675
Transactions with owners of the Company:								
- Issuance of shares	21	17,791	-	-	-	-	-	17,791
		17,791	-	-	-	-	-	17,791
Balance at 31.12.2017		155,880	(12,217)	412,796	(68)	40,328	(455,515)	141,204

The annexed notes form an integral part of these financial statements.

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		The Group		The Company	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
(Loss)/Profit before taxation:		(17,426)	74,943	(12,392)	(40,675)
Adjustments for:-					
Amortisation of:					
- development costs		36	1,012	-	1,012
- intellectual property		-	1,001	-	1,001
- trademark and patents		16	-	-	-
Depreciation of plant and equipment		2,926	1,433	490	341
Equipment written off		82	-	44	-
Impairment loss on:					
- development costs		-	4,600	-	2,716
- trade receivables		106	195	-	149
- amount owing by subsidiaries		-	-	3,017	15,000
- investments in subsidiaries		-	-	610	13,984
- intellectual property		-	890	-	890
- goodwill		-	5,799	-	-
Interest expense		17,380	16,081	17,340	16,081
Inventories written off		364	1,277	-	928
Share of loss of associates		2,620	56,617	-	-
Gain on disposal of plant and equipment		-	(87)	-	(87)
Unrealised loss/(gain) on foreign exchange		2,220	(1,306)	1,618	(568)
Interest income		(1,043)	(1,548)	(3,829)	(4,190)
Gain on dilution of associates		-	(49,391)	-	-
Gain on fair value adjustments		(10,082)	(98,247)	(10,082)	-
Writeback of inventories written off		(2)	(535)	(2)	(535)
Operating (loss)/profit before working capital changes/Balance carried forward		(2,803)	12,734	(3,186)	6,047

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

		The Group		The Company	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
Balance brought forward		(2,803)	12,734	(3,186)	6,047
(Increase)/Decrease in inventories		(909)	13,282	92	14,108
(Increase)/Decrease in trade and other receivables		(4,915)	(34,647)	28,714	(11,157)
Increase/(Decrease) in trade and other payables		42,285	21,769	(1,391)	(20,461)
Decrease/(Increase) in amount owing by subsidiaries		-	-	11,462	(446)
Decrease in amount owing to subsidiaries		-	-	-	(459)
CASH FROM/(FOR) OPERATIONS		33,658	13,138	35,691	(12,368)
Interest paid		(56)	(10)	(735)	(10)
Tax paid		(1,939)	(3,441)	(16)	(700)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		31,663	9,687	34,940	(13,078)
CASH FLOWS FOR INVESTING ACTIVITIES					
Additional investment in subsidiaries		-	-	-	(7,054)
Acquisition of subsidiaries	33	(8,013)	-	-	-
Advances to associates		(19,028)	-	-	-
Advances to a related party		-	-	(18,240)	-
Purchase of associate		(23,247)	(18,250)	(16,787)	(18,250)
Purchase of other investments		(7,588)	-	(7,588)	-
Purchase of plant and equipment	34(a)	(3,537)	(2,096)	(332)	(1,156)
Proceeds from disposal of plant and equipment		-	87	-	87
Purchase of treasury shares		-	(828)	-	(828)
Development costs incurred		(7,918)	(652)	(6,252)	-
(Advances to)/Repayment from subsidiaries		-	-	(31,832)	11,006
Subscription of shares in a subsidiary by non-controlling interest		152	-	-	-
Interest received		1,043	1,548	518	1,116
Net withdrawal/(placement) of fixed deposits pledged with a licensed bank		4,378	(725)	2,616	6,248
NET CASH FOR INVESTING ACTIVITIES		(63,758)	(20,916)	(77,897)	(8,831)

GREEN PACKET BERHAD
(Incorporated in Malaysia)
Company No: 534942 - H

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

		The Group		The Company	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Advances from subsidiaries	34(b)	-	-	7,349	7,358
Advances from associates	34(b)	2,347	-	2,347	-
Repayment to related parties	34(b)	(456)	(316)	(456)	(316)
Net proceeds from issuance of ordinary shares		17,791	-	17,791	-
Net drawdown of term loans	34(b)	(290)	-	-	-
Repayment of hire purchase obligations	34(b)	(120)	(70)	(120)	(70)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		19,272	(386)	26,911	6,972
NET DECREASE IN CASH AND CASH EQUIVALENTS		(12,823)	(11,615)	(16,046)	(14,937)
Foreign exchange translation differences		(3,124)	1,659	(590)	(34)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		49,075	59,031	20,108	35,079
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	34(c)	33,128	49,075	3,472	20,108

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office which is also the principal place of business, is at B-23A-3, The Ascent Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 April 2018.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding, research, development, marketing and distribution of wireless networking and telecommunication products, networking solutions and other high technology products and services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 – 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows :-

The amendments to MFRS 107 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. A reconciliation between opening and closing balances of these items is provided in Note 34(b) to the financial statements

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2017 Cycles: • Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters • Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Annual improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

3. BASIS OF PREPARATION (CONT'D)

3.2 The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

(a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

The initial application of MFRS 9 is not expected to have any material impact to the financial statements of the Group for the current financial year and prior periods as the Group will apply the standard retrospectively from 1 January 2018 with the practical expedients permitted under the standard, and that the comparatives (i.e. current period financial information) will not be restated.

Based on the assessments undertaken to date, the Group has determined the impact of its initial application of MFRS 9 as follows:-

Classification and Measurement

The Group does not expect a significant impact on its statements of financial position on applying the classification and measurement requirements of MFRS 9.

Loans and receivables financial assets are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria to be measured at amortised cost under MFRS 9. Therefore, the Group does not expect the standard to affect the measurement of its debt financial assets.

In addition, the Group expects to continue measuring at fair value all financial assets currently held at fair value.

Impairment of Financial Assets

MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' ("ECL") model. In view of strong creditworthiness of the Group's receivables, the Group has concluded that the expected impacts of ECL on trade and other receivables (including related party balances) are insignificant upon the initial application of MFRS 9.

The analysis above are based on the assessments undertaken to date and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future.

3. BASIS OF PREPARATION (CONT'D)

3.2 The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows(Cont'd):-

(b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

As at the date of authorisation of issue of the financial statements, the assessment of implementing MFRS 15 has not been finalised. Thus, the potential impact of the adoption of this standard cannot be determined and estimated reliably until the assessment is completed later.

(c) MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group anticipates that the application of MFRS 16 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 16 until the Group performs a detailed review.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Plant and Equipment and Amortisation of Development Costs

The estimates for the residual values, useful lives and related depreciation and amortisation charges for the plant and equipment and development costs are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its plant and equipment and development costs will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable and amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised. The carrying amount of plant and equipment and development costs as at the reporting date are disclosed in Note 7 and Note 10 to the financial statements.

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 9 to the financial statements.

(c) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made. The carrying amount of the Group and Company's current tax asset as at the reporting date is RM2,478,976 (2016 – Nil) and RM 2,406,594 (2016 - RM872,582), respectively. The carrying amount of the Group's current tax liabilities as at previous reporting date was RM294,036.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 13 to the financial statements.

(e) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 12 to the financial statements.

(f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables. The carrying amount of trade receivables and other receivables as at the reporting date is disclosed in Note 14 and Note 15 to the financial statements.

(g) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. The carrying amount of available-for-sale equity investments as at the reporting date is disclosed in Note 8 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Impairment of Development Costs and Other Intangible Assets

The assessment of whether development costs and other intangible assets are impaired requires an estimation of the value in use of the cash-generating unit to which these assets are allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of development costs and other intangible assets as at the reporting date are disclosed in Note 10 and Note 11 to the financial statements.

(i) Impairment of Plant and Equipment and Investments in Associates

The Group determines whether its plant and equipment and investments in associates are impaired by evaluating the extent to which the recoverable amount of the assets are less than their carrying amounts. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of plant and equipment and investments in associates as at the reporting date are disclosed in Note 7 and Note 6 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Fair Value Estimate for Certain Financial Assets

The Group carries certain financial assets at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets would affect profit and/or equity.

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities is based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts for matters in the ordinary course of business. The directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.