

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		9 Months Period Ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Revenue	63,035	18,172	160,994	62,961
Operating expenses	(94,137)	(29,459)	(239,794)	(84,961)
Other income	656	2,919	3,549	7,898
Loss from operations	(30,446)	(8,368)	(75,251)	(14,102)
Finance costs	(1,747)	(794)	(7,818)	(1,796)
Share of net loss in associates	(184)	(1,622)	566	(3,338)
Loss before taxation	(32,377)	(10,784)	(82,503)	(19,236)
Income tax	(492)	(110)	(1,083)	(1,591)
Net loss for the period	(32,869)	(10,894)	(83,586)	(20,827)
Attributable to:				
Equity holders of the Company	(31,845)	(10,289)	(81,935)	(17,911)
Minority interests	(1,024)	(605)	(1,651)	(2,916)
Loss per share attributable to ordinary equity holders of the Company:				
- Basic (sen)	(8.0)	(3.2)	(20.5)	(5.5)
- Diluted (sen)	N/A	(3.2)	N/A	(5.5)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

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

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2009

	As at 30/09/2009 <u>(Unaudited)</u> RM'000	As at 31/12/2008 <u>(Audited)</u> RM'000
ASSETS		
Non-current assets		
Plant and equipment	336,820	177,272
Intellectual property	10,165	11,780
Development costs	49,892	47,348
Investment in associates	33,953	33,161
Other long term investments	18,763	18,763
Prepaid land lease payments	17,460	17,488
Goodwill on acquisition	12,786	12,786
	<u>479,839</u>	<u>318,598</u>
Current assets		
Inventories	27,961	17,938
Trade receivables	46,464	31,082
Other receivables, deposits and prepayments	63,202	31,586
Tax recoverable	-	1,853
Fixed deposits with licensed banks	7,058	59,934
Cash and bank balances - Excess shares subscription monies	125,271	-
Cash and bank balances	167,193	221,290
	<u>437,149</u>	<u>363,683</u>
TOTAL ASSETS	<u><u>916,988</u></u>	<u><u>682,281</u></u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary equity holders of the parent		
Share capital	119,510	79,987
Reserves	310,236	332,430
	<u>429,746</u>	<u>412,417</u>
Minority interests	<u>10,301</u>	<u>11,952</u>
Total equity	<u><u>440,047</u></u>	<u><u>424,369</u></u>
Non-current liability		
Trade payables	68,691	-
Guaranteed redeemable convertible exchangeable bonds	50,000	50,000
Bank borrowings	135,261	136,653
Hire purchase and finance lease liabilities	19,968	4,172
Deferred tax liabilities	3,692	2,418
	<u>277,612</u>	<u>193,243</u>
Current liabilities		
Trade payables	49,345	10,869
Other payables and accruals	20,193	47,993
Excess shares subscription monies	125,271	-
Bank borrowings	2,786	2,786
Hire purchase and finance lease liabilities	1,734	3,021
	<u>199,329</u>	<u>64,669</u>
TOTAL LIABILITIES	<u><u>476,941</u></u>	<u><u>257,912</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>916,988</u></u>	<u><u>682,281</u></u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	<u><u>0.72</u></u>	<u><u>1.03</u></u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	-----Attributable to Equity Holders of the Parent-----						Minority Interests	Total Equity	
	Shares capital	Non-Distributable			Distributable				
		Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Retained Profits	Sub-total		
9 months period ended 30 September 2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1 January 2009	79,987	292,274	1,269	(11,388)	7,336	42,939	412,417	11,952	424,369
Right Issue	39,523	-	-	-	59,284	-	98,807	-	98,807
Share-based payment under ESOS	-	-	-	-	2,169	-	2,169	-	2,169
Net loss for the financial year	-	-	-	-	-	(81,935)	(81,935)	(1,651)	(83,586)
Current translation difference	-	-	(1,712)	-	-	-	(1,712)	-	(1,712)
Balance at 30 September 2009	119,510	292,274	(443)	(11,388)	68,789	(38,996)	429,746	10,301	440,047

	-----Attributable to Equity Holders of the Parent-----						Minority Interests	Total Equity	
	Shares capital	Non-Distributable			Distributable				
		Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Retained Profits	Sub-total		
9 months period ended 30 September 2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1 January 2008	66,656	259,002	(199)	(6,687)	3,254	98,181	420,207	20,906	441,113
Acquisition from minority interests	-	-	-	-	-	-	-	(3,126)	(3,126)
Disposal of subsidiary	-	-	-	-	-	-	-	(840)	(840)
Purchase of treasury shares	-	-	-	(4,700)	-	-	(4,700)	-	(4,700)
Share-based payment under ESOS	-	-	-	-	1,969	-	1,969	-	1,969
Net loss for the financial period	-	-	-	-	-	(17,911)	(17,911)	(2,916)	(20,827)
Current translation difference	-	-	(7,781)	-	-	-	(7,781)	-	(7,781)
Balance at 30 September 2008	66,656	259,002	(7,980)	(11,387)	5,223	80,270	391,784	14,024	405,808

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Financial period ended	
	30/9/2009	30/9/2008
	(Unaudited) RM'000	(Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(82,503)	(8,452)
Adjustments for non cash items:-		
Amortisation of development cost	6,682	295
Amortisation of intellectual property	2,145	1,140
Depreciation of plant and equipment	6,440	2,389
Share based payment under ESOS	2,169	1,179
Share of net (loss)/profit in associates	(566)	1,716
Other non-cash items	4,269	1,991
Operating (loss)/profit before working capital changes	(61,364)	258
Changes in working capital		
Increase in current assets	(55,167)	(2,119)
Increase in current liabilities	79,368	4,511
Cash for operating activities	(37,163)	2,650
Interest paid	(7,818)	(646)
Tax paid	191	(1,059)
Net cash for operating activities	(44,790)	945
CASH FLOW FOR INVESTING ACTIVITIES		
Acquisition of long term investments	(226)	(42,465)
Development expenditure incurred	(9,226)	(8,453)
Interest received	3,549	2,487
Purchase of plant and equipment, Intellectual Property	(166,491)	(72,365)
Net cash for investing activities	(172,394)	(120,796)
CASH FLOW FOR FINANCING ACTIVITIES		
Drawdown of bank borrowings	-	114,450
Drawdown of hire purchase/lease obligations	3,275	-
Repayment of bank borrowings	(1,392)	-
Purchase of treasury shares	-	(4,700)
Right Issue	98,807	-
Repayment to hire purchase/lease obligations	11,233	(797)
Net cash for financing activities	111,923	108,953
Net decrease in cash and cash equivalents	(105,261)	(10,898)
Foreign exchange translation differences	(1,712)	(2,489)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	281,224	242,467
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	174,251	229,080
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	167,193	162,029
Fixed deposit with licensed bank	7,058	67,051
	174,251	229,080

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

A1 Basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2008.

The accounting policies, method of computation and basis of consolidation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2008.

A2 Auditors' report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

A3 Seasonal or cyclical factors of interim operation

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

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

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

A5 Material changes in estimates

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

A6 Changes in debts or equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 30 September 2009, except for:

- (a) The shareholders of Green Packet Berhad ("GPB" or "Company") had given their approval for GPB to buy-back its own shares at the Extraordinary General Meeting ("EGM") held on 14 November 2007 and such authority was renewed at the 8th Annual General Meeting of GPB held on 22 May 2009. During the period ended 30 September 2009, GPB bought back from the open market, 1,000 ordinary shares of RM0.20 each ("GPB Shares") listed and quoted on the Main Board of Bursa Securities at an average buy-back price of RM1.07 per share. The total consideration paid for the share buy-back of GPB Shares by GPB during the period ended 30 September 2009, including transaction costs, was RM11,388,802.26 and was financed by internally generated funds. The GPB Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965. As at 30 September 2009, the total shares bought back, all of which are held as treasury shares, amounted to 4,707,700 GPB Shares. None of the treasury shares held were resold or cancelled during the financial period ended 30 September 2009.
- (b) On 29 January 2009, the Company issued 7,730,000 new options ("New Options") pursuant to the Company's Employees Share Option Scheme ("ESOS") which are exercisable into new GPB Shares at an exercise price of RM0.85 per GPB share over the vesting period of the options.

The New Options will expire by 8 August 2011. The movement of the options for the period under review is as follows :

	Number of options over ordinary shares of RM0.20 each ('000)
Balance as at 1 Jan 2009	13,684
Granted at 29 January 2009	7,730
Lapsed	(138)
Outstanding as at 30 September 2009	<u>21,276</u>

Pursuant to the Company's ESOS By-Laws, the number of Options and exercise price of the ESOS have been adjusted on 28 October 2009 after taking into account the Rights Shares allotted on 28 September 2009. The adjustment in exercise price of the Options are as follows :

Outstanding Options	Exercise Price	Adjusted Exercise Price After Rights Shares
Issued on 8 August 2006	4.48	4.22
Issued on 28 March 2008	2.09	1.97
Issued on 29 January 2009	0.85	0.80

The ESOS has been adjusted by an additional 3,154,000 options to a total of 24,430,000.

(c) On 22 May 2009, OSK Investment Bank Berhad ("OSK") had announced on behalf of GPB that the Company proposed to undertake a renounceable rights issue of up to 208,320,775 new GPB Shares ("Rights Shares") together with up to 208,320,775 free detachable new warrants ("Warrants") on the basis of one (1) Rights Share with one (1) Warrant for every two (2) existing GPB Shares held on an entitlement date to be determined later ("Rights Issue"). Subsequently, on 5 June 2009, the Securities Commission ("SC") had approved the Proposed Rights Issue. The shareholders of GPB had approved the Rights Issue at the Extraordinary General Meeting ("EGM") held on 27 July 2009. On 13 August 2009, the Company announced that the Board of Directors had fixed the following prices:-

- (i) Issue price for the Rights Shares was fixed at RM0.50 per Right Share; and
- (ii) Exercise price for the Warrants was fixed at RM0.95.

As announced on 2 October 2009, 197,613,775 Rights Shares together with 197,613,775 Warrants issued pursuant to the Rights Issue were granted listing and quotation on 2 October 2009 on the Main Board of Bursa Securities, marking the completion of the Rights Issue. Thus, the issued and paid-up capital of the Company increased from RM79,987,050 comprising 399,935,250 ordinary shares of RM0.20 each to RM119,509,805 comprising 597,549,025 ordinary shares of RM0.20 each.

A7 Dividends

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

A8 Segmental information

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

Results for the 9 months period ended 30 September 2009	Malaysia RM'000	APAC* RM'000	MEA** RM'000	Others*** RM'000	Group RM'000
Revenue					
Software and Applications	19,283	2,269	1,650	574	23,776
Broadband Services	101,695	-	-	-	101,695
Communication/Voice Services	2,843	32,680	-	-	35,523
Engineering Services and Solutions	-	-	-	-	-
	<u>123,821</u>	<u>34,949</u>	<u>1,650</u>	<u>574</u>	<u>160,994</u>
Results					
Software and Applications	13,198	(3,563)	(3,303)	-	6,332
Broadband Services	(82,599)	-	-	-	(82,599)
Communication/Voice Services	(24)	167	-	-	143
Engineering Services and Solutions	-	-	-	-	-
	<u>(69,425)</u>	<u>(3,396)</u>	<u>(3,303)</u>	<u>-</u>	<u>(76,124)</u>
Finance costs					(7,818)
Loss on disposal of investment in subsidiary					-
Interest Income					<u>873</u>
					<u>(83,069)</u>
Share of loss in associates					<u>566</u>
Loss before taxation					<u>(82,503)</u>
Income tax					<u>(1,083)</u>
Loss after taxation					<u>(83,586)</u>
Minority interests					<u>1,651</u>
Loss after taxation & minority interests					<u>(81,935)</u>

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

Other information

Segmental assets	-
Unallocated corporate assets	916,988
Segmental liabilities	-
Unallocated corporate liabilities	(476,941)
Capital expenditure	(175,717)
Depreciation	(6,440)
Amortisation	<u>(8,827)</u>

* Asia-Pacific region excludes Malaysia

** Middle East and Africa region

*** Others include Europe and America region.

Results for the 9 months period ended 30 September 2008	Malaysia RM'000	APAC* RM'000	MEA** RM'000	Others*** RM'000	Group RM'000
Revenue					
Software and Applications	3,775	6,936	71	-	10,782
Broadband Services and Solutions	590	-	-	-	590
Communication/Voice Services	42,993	7,303	-	-	50,296
Engineering Services and Solutions	-	-	-	1,293	1,293
	<u>47,358</u>	<u>14,239</u>	<u>71</u>	<u>1,293</u>	<u>62,961</u>
Results					
Software and Applications	(3,644)	(248)	(6,361)	-	(10,253)
Broadband Services and Solutions	(13,115)	-	-	-	(13,115)
Communication/Voice Services	2,309	(433)	-	-	1,876
Engineering Services and Solutions	-	-	-	647	647
	<u>(14,450)</u>	<u>(681)</u>	<u>(6,361)</u>	<u>647</u>	<u>(20,845)</u>
Finance costs					(1,796)
Other unallocated expenses					(541)
Gain on disposal of investment in subsidiary					3,715
Interest Income					3,569
					<u>(15,898)</u>
Share of profit in associate					(3,338)
Loss before taxation					<u>(19,236)</u>
Income tax					<u>(1,591)</u>
Loss after taxation					<u>(20,827)</u>
Minority interests					2,916
Loss after taxation & minority interests					<u>(17,911)</u>
<i>Segmental results are determined after allocation of operating expenses to each geographical segment.</i>					
Other information					
Segmental assets					-
Unallocated corporate assets					577,722
Segmental liabilities					-
Unallocated corporate liabilities					(171,914)
Capital expenditure					(109,984)
Depreciation					(3,835)
Amortisation					<u>(2,269)</u>

* Asia Pacific region exclude Malaysia

** Middle East and Africa region

*** Others include Europe and America region.

A9 Valuation of plant and equipment

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

A10 Material events subsequent to the end of the quarter

Save for as disclosed in Note A6 (c), A11 (e) and Note B8, there were no other material events subsequent to the current financial period ended 30 September 2009.

A11 Changes in the composition of the Group

Save for the following changes, there were no changes in the composition of the Group during the current quarter and financial period ended 30 September 2009:

- (a) (i) On 6 March 2009, Green Packet Networks (Singapore) Pte Ltd ("GPNS"), GPB's wholly-owned subsidiary, had subscribed for 4,100 "A" ordinary shares of par value of Thai Baht ("THB") 100 each, representing 33% of the registered capital of OneVois Global Co Ltd ("OVG"), which carries 60% of the voting rights in OVG, for a total cash subscription price of THB410,000 (equivalent to approximately RM38,774). ("Proposed Subscription");
- (ii) On 6 March 2009, GPNS had also entered into a Shares Sale and Purchase Agreement with Mr Prateep Prawattiyakul, for the acquisition of 8,200 ordinary shares of par value of THB 100 each, representing 40% of the registered capital of OneVois Communication Co Ltd ("OVC") for a purchase consideration of THB1,066,000 (equivalent to approximately RM100,811). ("Proposed Acquisition")

The Proposed Subscription and Proposed Acquisition were completed on 6 March 2009 and consequently, GPNS held 33% equity interest which carried 60% of the voting rights in OVG, as well as 40% direct equity interest in OVC. OVG also held 60% equity interest in OVC. Therefore, GPNS effectively held, via its direct and indirect interest, 76% of the total voting rights in OVC.

- (b) On 18 March 2009, Packet One Sdn Bhd, GPB's wholly-owned subsidiary, had disposed of 100,000 ordinary shares of RM1.00 in RummzNation Sdn Bhd ("RNSB"), representing 100% of its equity interest in RNSB, to Packet One Networks (Malaysia) Sdn Bhd, a 55% owned subsidiary of GPB, for a total consideration of RM100,000.
- (c) On 2 June 2009, GPB had subscribed for an additional 699,991 ordinary shares ("Shares") fully paid in Packet One International Pte Ltd ("P1i"), a 90% subsidiary of GPB, in cash for a total subscription price of Singapore Dollar ("SGD") 699,991.00 or approximately RM1,680,000.00 ("Subscription Price") ("Proposed Subscription"). On even date, P1i had also issued 299,999 Shares fully paid to the other shareholders ("Additional Issuance"). After the Proposed Subscription and Additional Issuance, GPB's equity interest in P1i will be 70% while the remaining 30% equity interest will be held by the other shareholders.

- (d) On 16 June 2009, GPB had entered into a Sale and Purchase Agreement ("SPA") with mTouche Technology Berhad ("mTouche") to acquire 51,000 ordinary shares of SGD1.00 each in Inova Venture Pte Ltd ("Inova") ("Inova Shares") representing 51% equity interest in Inova which were held by mTouche, for a total cash consideration of SGD30,000 ("Acquisition").

Prior to the Acquisition, Inova is a 20% associated company of GPB. Upon completion of the Acquisition, GPB will effectively hold 71,000 Inova Shares resulting in Inova becoming a 71% owned subsidiary of GPB. Inova's wholly-owned subsidiary, Brillante Novastella Sdn Bhd will also become a subsidiary of GPB. The acquisition was completed on 30 June 2009.

- (e) On 16 September 2009, GPB had entered into a Sale and Purchase Agreement with Idara Investments Limited to acquire the remaining 49.998% equity interest in Green Packet Networks W.L.L ("GPN") comprising 16,666 ordinary shares of USD150 each for a total cash consideration of USD2,499,900 ("equivalent to approximately RM8,757,150") (GPN Acquisition). GPN will become a 100% owned subsidiary of GPB upon completion of the GPN Acquisition. The GPN Acquisition was subsequently completed on 12 October 2009.

A12 Contingent assets and changes in contingent liabilities

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

A13 Capital commitments

The capital expenditure not provided for in the financial statements as at 30 September 2009 are as follows:

Authorised and contracted for:	RM'000
- Plant and equipment	154,406
- Inventory	16,447
	<u>170,853</u>

A14 Significant related party transactions

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

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities

B1 Review of the performance of the Group

The Group recorded a revenue and loss after tax of approximately RM63.04 million and RM32.87 million respectively for the current financial quarter ended 30 September 2009 ("3Q09"). This represents an increase of 246.9% compared to the turnover of RM18.17 million recorded for the previous year corresponding financial quarter ended 30 September 2008 ("3Q08"). Consequently, the loss after tax increased to RM 32.87 million in 3Q09 from a loss after tax of RM10.89 million achieved in 3Q08.

Revenue contribution comprises the following:-

	3Q09	3Q08	% Change
	RM million	RM million	
Software application and engineering services	9.49	1.07	786.9%
Broadband Services and Solutions	40.07	0.31	N/A *
Communication/Voice Services	13.48	16.79	-19.7%
	<u>63.04</u>	<u>18.17</u>	<u>246.9%</u>

The 3Q09 loss was mainly attributed to the continued heavy promotional activities and subscribers acquisition costs coupled with higher amortisation and depreciation costs for the further expansion of the broadband business.

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

The 3Q09 financial performance was affected by the higher subscriber acquisition costs and marketing expenses incurred using various advertising media to step-up the business momentum.

	3Q09	2Q09	% Change
	RM'000	RM'000	
Revenue	63,035	56,470	11.6%
Loss before tax	(32,377)	(27,631)	-17.2%
Loss after tax	<u>(32,869)</u>	<u>(28,167)</u>	<u>-16.7%</u>

B3 Business prospects

The Board of Directors views the financial year 2009 and 2010 as important investment years to prepare, position and expand the Group's business operations. The ongoing investments in Malaysia, Singapore and Thailand is to establish physical presence for long term growth in the provision of affordable fixed and wireless broadband and voice services. In view of these planned investments, the Board of Directors expects the performance of the Group to remain as planned for the financial year ending 31 December 2009 with improved prospects for financial year 2010.

B4 Variance of actual profit from forecast profit

Not applicable as no forecast was published.

B5 Income tax expense

3rd Quarter
ended
30 September 2009
RM'000

Current tax expense - Malaysian 1,083

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

B6 Purchase or disposal of properties and unquoted investments

There were no purchase or disposal of unquoted investments and properties during the current financial period ended 30 September 2009.

B7 Purchase or disposal of quoted securities

There were no purchases or disposals of quoted securities during the current financial period ended 30 September 2009.

B8 Status of corporate proposals and utilisation of proceeds**(a) Status of Corporate Proposals announced but not completed**

- (i) On 3 September 2007, GPB had entered into an Option Agreement for the purchase of 1 fully-paid non-assessable share of common stock in IWICS Inc. ("IWICS") for each share of Series D Preferred Stock purchased for a purchase price of 22.4 US cents for each share. IWICS is a company incorporated in the United States of America, which is involved in the development, licensing and promulgation of its patented Opportunity Driven Multiple Access technology which is utilised in part for the development of GPB's SONmetro solution for the rollout of internet broadband services.
- (ii) On 30 July 2009, OSK announced on behalf of GPB that the SC had, via its letter dated 29 July 2009 approved the proposed exemption sought by Gresn Packet Holdings Ltd ("GPHL") and the parties acting-in-concert ("PAC"), from the obligation to extend a take-over offer for all the remaining GPB Shares not already owned by GPHL and the PAC upon the exercise of Warrants owned by them pursuant to Practice Note 2.9.1 of the Malaysian Code on Take-Overs and Mergers, 1998 as amended from time to time and any re-enactment thereof ("Exemption"), subject to the compliance with certain terms and conditions. Pursuant to the approval by the SC, no take-over offer would arise on full exercise of the Warrants by GPHL and the PAC from the issue date up to expiry date of the Warrants.

Pursuant to the Rights Issue, GPHL and the PAC had subscribed for the following number of Warrants:-

	<u>No. of Warrants</u>
GPHL	67,711,222
PAC	
Puan Chan Cheong	1,241,765
Tan Sri Dato' Kok	-
Total	<u>68,952,987</u>

The shareholdings of GPHL and the PAC in GPB before and after the full exercise of the Warrants by GPHL and PAC are set out below based on the following scenarios:-

Minimum Scenario	:	Assuming none of the outstanding RM50,000,000 nominal value guaranteed redeemable convertible exchangeable bonds ("GCEB") and 24,429,677 ESOS options are exercised.
Maximum Scenario	:	Assuming all of the outstanding RM50,000,000 nominal value GCEB and 24,429,677 ESOS options are exercised.

Minimum Scenario

	As at 30 September 2009				After exercise of Warrants by GPHL and the PAC only#			
	Direct		Indirect		Direct		Indirect	
	No. of GPB Shares	%*	No. of GPB Shares	%*	No. of GPB Shares	%^	No. of GPB Shares	%^
GPHL	203,133,666	34.26	-	-	270,844,888	40.93	-	-
PAC								
Puan Chan Cheong	3,725,295	0.63	203,133,666	34.26 ¹	4,967,060	0.75	270,844,888	40.93 ¹
Tan Sri Dato' Kok Onn	-	-	203,133,666	34.26 ¹	-	-	270,844,888	40.93 ¹
Total	206,858,961	34.89	-	-	275,811,948	41.68	-	-

Notes:-

Assuming other than GPHL and the PAC, none of the other Warrant holders exercise their Warrants.

* Percentage calculated is based on the number of issued and fully paid-up share capital of the Company of 597,549,025 less 4,707,700 treasury shares as at 30 September 2009.

^ Percentage calculated based on the enlarged share capital of 666,502,012 less 4,707,700 treasury shares.

*1 Deemed interested by virtue of his direct substantial shareholdings in GPHL.

Maximum Scenario

	As at 30 September 2009				After full conversion of GCEB and full exercise of outstanding ESOS Options**				After (i) and exercise of Warrants by GPLH and the PAC only#			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of GPB Shares	%*	No. of GPB Shares	%*	No. of GPB Shares	%^	No. of GPB Shares	%^	No. of GPB Shares	%^^	No. of GPB Shares	%^^
GPLH	203,133,666	34.26	-	-	203,133,666	31.98	-	-	270,844,888	38.47	-	-
PAC												
Puan Chan Cheong	3,725,295	0.63	203,133,666	34.26 ¹	6,150,868	0.97	203,133,666	31.98 ¹	7,392,633	1.05	270,844,888	38.47 ¹
Tan Sri Dato' Kok Onn	-	-	203,133,666	34.26 ¹	157,878	0.02	203,133,666	31.98 ¹	157,878	0.02	270,844,888	38.47 ¹
Total	206,858,961	34.89			209,442,412	32.98			278,395,399	39.54		

Notes:-

** Assuming full conversion of the RM50,000,000 nominal value GCEB at the conversion price of RM1.76 per Share and full exercise of the outstanding ESOS options

Assuming other than GPLH and the PAC, none of the other Warrant holders exercise their Warrants.

* Percentage calculated is based on the number of issued and fully paid-up share capital of the Company of 597,549,025 less 4,707,700 treasury shares as at 30 September 2009.

^ Percentage calculated based on the enlarged share capital of 639,835,845 less 4,707,700 treasury shares.

^^ Percentage calculated based on the enlarged share capital of 708,788,832 less 4,707,700 treasury shares.

*1 Deemed interested by virtue of his direct substantial shareholdings in GPLH.

(b) Status of Utilisation of Proceeds

The Company had, on 2 January 2009 completed its private placement of 66,655,875 GPB Shares ("Private Placement"), which have been listed and quoted on the Main Board of Bursa Securities on even date.

The details of the utilisation of the proceeds from the Private Placement up to 30 September 2009 are as follows:-

Description	Proposed	Actual	Balance
	Utilisation	Utilisation	Unutilised
	RM'000	RM'000	RM'000
Working capital	45,659	(45,659)	-
Private placement expenses	1,000	(1,000)	-
Total	46,659	(46,659)	-

Note:-

#1 The proceeds from the Private Placement are expected to be utilised within 24 months from the date of the completion of the Private Placement on 2 January 2009.

B9 Group borrowings and debt securities

As at 30 September 2009, total borrowings of the Group are as follows:

	RM '000
<u>Total borrowings:</u>	
Unsecured:	
- Syndicated Murabaha facilities, which are denominated in United States Dollar.	120,404
- 4 year 4.5% guaranteed redeemable convertible exchangeable bonds, which is denominated in Ringgit Malaysia.	50,000
Secured:	
- Amanah Term Financing, which is denominated in Ringgit Malaysia.	17,643
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	21,702
	39,345
	<u>209,749</u>
Long term borrowings:	
-Hire purchase and finance lease liabilities, repayment more than 1 year	19,968
-Amanah Term Financing	14,857
-Syndicated Murabaha facilities	120,404
-Guaranteed redeemable convertible exchangeable bonds	50,000
	<u>205,229</u>
Short term borrowings:	
-Amanah Term Financing	2,786
-Hire purchase and finance lease liabilities, repayment less than 1 year	1,734
	4,520
	<u>209,749</u>

B10 Off balance sheet financial instruments

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

B11 Material litigations

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

B12 Dividends

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

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

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

	3 months period ended		9 months period ended	
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
Loss attributable to ordinary equity holders of the Company (RM'000)	(31,845)	(10,289)	(81,935)	(17,911)
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000) *	399,935	323,866	399,935	323,866
Basic loss per share (sen) *	(8.0)	(3.2)	(20.5)	(5.5)

b) Diluted EPS

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

BY ORDER OF THE BOARD

Lim Ming Toong (MAICSA 7000281)
Aileen Khor (MAICSA 7044894)
Company Secretaries