

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Individual Quarter		Cummulative Quarter	
	3 Months Period Ended		Financial Year Ended	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Audited) RM'000
Revenue	73,540	24,534	234,533	87,495
Operating expenses	(148,548)	(64,775)	(390,089)	(149,736)
Other income	1,564	6,516	5,114	14,414
Loss from operations	(73,444)	(33,725)	(150,442)	(47,827)
Finance costs	(10,363)	1,377	(16,434)	(419)
Share of net loss in associates	(10,419)	(6,175)	(9,669)	(9,513)
Loss before taxation	(94,226)	(38,523)	(176,545)	(57,759)
Income tax	(1,386)	(62)	(2,469)	(1,653)
Net loss for the period	(95,612)	(39,467)	(179,014)	(60,294)
Attributable to:				
Equity holders of the parent	(94,538)	(37,331)	(176,289)	(55,242)
Minority interests	(1,074)	(2,136)	(2,725)	(5,052)
Loss per share attributable to ordinary equity holders of the parent:				
- Basic (sen)	(15.8)	(11.0)	(39.2)	(17.0)
- Diluted (sen)	N/A	N/A	N/A	N/A

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 31 DECEMBER 2009

	As at 31/12/2009	As at 31/12/2008
	(Unaudited) RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Plant and equipment	464,065	177,272
Intellectual property	9,594	11,780
Development costs	60,790	47,348
Investment in associates	23,565	33,161
Other long term investments	9,449	18,763
Prepaid land lease payments	17,460	17,488
Goodwill on acquisition	25,964	12,786
	<u>610,887</u>	<u>318,598</u>
Current assets		
Inventories	44,298	17,938
Trade receivables	44,879	31,082
Other receivables, deposits and prepayments	72,949	31,586
Tax recoverable	-	1,853
Fixed deposits with licensed banks	2,249	59,934
Share subscription monies	64,993	-
Cash and bank balances	132,356	221,290
	<u>361,724</u>	<u>363,683</u>
TOTAL ASSETS	<u><u>972,611</u></u>	<u><u>682,281</u></u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary equity holders of the parent		
Share capital	131,705	79,987
Reserves	269,223	332,430
	<u>400,928</u>	<u>412,417</u>
Minority interests	6,463	11,952
Total equity	<u>407,391</u>	<u>424,369</u>
Non-current liability		
Trade payables	159,192	-
Guaranteed redeemable convertible exchangeable bonds	50,000	50,000
Bank borrowings	184,564	136,653
Hire purchase and finance lease liabilities	15,153	4,172
Deferred tax liabilities	1,794	2,418
	<u>410,703</u>	<u>193,243</u>
Current liabilities		
Trade payables	80,779	10,869
Other payables and accruals	64,216	47,993
Bank borrowings	2,786	2,786
Hire purchase and finance lease liabilities	6,736	3,021
	<u>154,517</u>	<u>64,669</u>
TOTAL LIABILITIES	<u>565,220</u>	<u>257,912</u>
TOTAL EQUITY AND LIABILITIES	<u><u>972,611</u></u>	<u><u>682,281</u></u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	<u>0.61</u>	<u>1.03</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 YEAR ENDED 31 DECEMBER 2009 (UNAUDITED)

	<-----Attributable to Equity Holders of the Parent ----->							Minority Interests	Total Equity
	Shares capital	Non-Distributable				Distributable	Sub-total		
		Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial year ended 31 December 2009									
Balance at 1 January 2009	79,987	292,274	1,269	(11,388)	7,336	42,939	412,417	11,952	424,369
Issuance of ordinary shares - Rights Issue	39,523	-	-	-	59,284	-	98,807	-	98,807
Issuance of ordinary shares - Private Placement	11,951	53,042	-	-	-	-	64,993	-	64,993
Share-based payment under ESOS	-	-	-	-	4,169	-	4,169	-	4,169
Net loss for the financial year	-	-	-	-	-	(176,289)	(176,289)	(2,725)	(179,014)
Acquisition from minority interest	-	-	-	-	-	-	-	(2,764)	(2,764)
Current translation difference	-	-	(3,169)	-	-	-	(3,169)	-	(3,169)
Balance at 31 December 2009	131,461	345,316	(1,900)	(11,388)	70,789	(133,350)	400,928	6,463	407,391

	<-----Attributable to Equity Holders of the Parent ----->							Minority Interests	Total Equity
	Shares capital	Non-Distributable				Distributable	Sub-total		
		Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial year ended 31 December 2008									
Balance at 1 January 2008	66,656	259,002	(199)	(6,687)	3,254	98,181	420,207	20,906	441,113
Additional investment in an associate	-	33,328	-	-	-	-	46,659	-	46,659
Share issue expenses	-	(56)	-	-	-	-	(56)	-	(56)
Acquisition from minority interests	-	-	-	-	-	-	-	(3,062)	(3,062)
Disposal of subsidiary	-	-	-	-	-	-	-	(840)	(840)
Purchase of treasury shares	-	-	-	(4,701)	-	-	(4,701)	-	(4,701)
Share-based payment under ESOS	-	-	-	-	4,082	-	4,082	-	4,082
Net loss for the financial year	-	-	-	-	-	(55,242)	(55,242)	(5,052)	(60,294)
Current translation difference	-	-	1,468	-	-	-	1,468	-	1,468
Balance at 31 December 2008	79,987	292,274	1,269	(11,388)	7,336	42,939	412,417	11,952	424,369

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)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009
(UNAUDITED)

	Financial 31/12/2009	31/12/2008
	(Unaudited) RM'000	(Audited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(176,545)	(58,641)
Adjustments for non cash items:-		
Amortisation of development cost	3,639	2,173
Amortisation of intellectual property	2,955	2,280
Amortisation of prepaid land lease payments	-	169
Depreciation of plant and equipment	18,889	4,959
Development cost written off	-	807
Loss on disposal of subsidiary	-	1,544
Share based payment under ESOS	4,169	4,082
Share of net (loss)/profit in associates	9,669	9,513
Other non-cash items	11,320	(872)
Operating loss before working capital changes	(125,904)	(33,986)
Changes in working capital		
Increase in current assets	(86,295)	(9,605)
Increase in current liabilities	245,325	885
Cash for operating activities	33,126	(42,706)
Interest paid	(16,434)	(492)
Tax paid	(3,093)	(942)
Net cash for operating activities	13,599	(44,140)
CASH FLOW FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	-	(3,374)
Acquisition of long term investments	(73)	-
Additional investment in subsidiaries	-	(3,062)
Additional investment in an associate	-	(2,625)
Addition of other investment	-	(168)
Development expenditure incurred	(17,081)	(21,988)
Interest received	5,114	4,631
Proceeds from disposal of subsidiary	-	6,609
Proceeds from disposal of plant and equipment	-	291
Purchase of plant and equipment, Intellectual Property	(306,423)	(130,410)
Subscription of RCPS-i	-	(1,101)
Unit trust distribution received	-	14
Net cash for investing activities	(318,463)	(151,183)
CASH FLOW FOR FINANCING ACTIVITIES		
Net Drawdown of hire purchase/lease obligations	14,696	(852)
Proceeds from issuance of ordinary shares	163,800	46,659
Proceeds from issuance of shares to minority shareholder	-	(56)
Proceeds from guaranteed redeemable convertible exchangeable bonds	-	50,000
Net drawdown of term loan	47,911	130,668
Purchase of treasury shares	-	(4,701)
Net cash for financing activities	226,407	221,718
Net decrease in cash and cash equivalents	(78,457)	26,395
Foreign exchange translation differences	(3,169)	12,362
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	281,224	242,467
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	199,598	281,224
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	132,356	221,290
Share subscription monies	64,993	-
Fixed deposit with licensed bank	2,249	59,934
	199,598	281,224

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 FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 Main Market 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 year ended 31 December 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 Market 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 31 December 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 31 December 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 31 December 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)
Adjustment for Rights Issues	3,154
Outstanding as at 31 December 2009	<u>24,430</u>

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

There were 3,154,000 additional options issued due to adjustment made to the number of unexercised option arising from the rights shares completed on 28 September 2009.

(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 Market 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.

(d) On 30 December 2009, the Company issued 59,754,093 new GPB Shares pursuant to the proposed Private Placement at an issue price of RM1.15 per GPB Share for cash (Placement Shares"). The Placement Shares had been listed and quoted on the Main Market of Bursa Securities on 7 January 2010.

A7 Dividends

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

A8 Segmental information

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

Results for the financial year ended 31 December 2009	Malaysia RM'000	APAC* RM'000	MEA** RM'000	Others*** RM'000	Group RM'000
Revenue					
Software and Applications	18,627	3,420	2,492	5,341	29,880
Broadband Services	145,765	-	-	-	145,765
Communication/Voice Services	11,836	47,053	-	-	58,889
Engineering Services and Solutions	-	-	-	-	-
	<u>176,228</u>	<u>50,473</u>	<u>2,492</u>	<u>5,341</u>	<u>234,534</u>
Results					
Software and Applications	13,468	(4,004)	(3,807)	-	5,657
Broadband Services	(140,013)	-	-	-	(140,013)
Communication/Voice Services	(626)	750	-	-	124
Engineering Services and Solutions	-	-	-	-	-
	<u>(127,171)</u>	<u>(3,254)</u>	<u>(3,807)</u>	<u>-</u>	<u>(134,232)</u>
Finance costs					(16,434)
Provision for impairment in investment					(17,233)
Interest Income					<u>1,023</u>
					<u>(166,876)</u>
Share of loss in associates					<u>(9,669)</u>
Loss before taxation					<u>(176,545)</u>
Income tax					<u>(2,469)</u>
Loss after taxation					<u>(179,014)</u>
Minority interests					<u>2,725</u>
Loss after taxation & minority interests					<u>(176,289)</u>

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

<u>Other information</u>	
Segmental assets	-
Unallocated corporate assets	972,611
Segmental liabilities	-
Unallocated corporate liabilities	(565,220)
Capital expenditure	(323,504)
Depreciation	(18,889)
Amortisation	(6,594)

* Asia-Pacific region excludes Malaysia

** Middle East and Africa region

*** Others include Europe and America region.

Results for the financial year ended 31 December 2008	Malaysia	APAC*	MEA**	Others***	Group
	RM'000	RM'000	RM'000	RM'000	RM'000

Revenue

Software and Applications	7,035	7,037	24	-	14,096
Broadband Services and Solutions	8,290	-	-	-	8,290
Communication/Voice Services	57,460	7,649	-	-	65,109
Engineering Services and Solutions	-	-	-	-	-
	<u>72,785</u>	<u>14,686</u>	<u>24</u>	<u>-</u>	<u>87,495</u>

Results

Software and Applications	(7,397)	(574)	(12,219)	-	(20,190)
Broadband Services and Solutions	(24,990)	-	-	-	(24,990)
Communication/Voice Services	(8,448)	(4,443)	-	-	(12,891)
Engineering Services and Solutions	-	-	-	-	-
	<u>(40,835)</u>	<u>(5,017)</u>	<u>(12,219)</u>	<u>-</u>	<u>(58,071)</u>
Finance costs					(419)
Other income					14,414
					<u>(44,076)</u>
Share of profit in associate					(9,513)
Loss before taxation					(53,589)
Income tax					(1,653)
Loss after taxation					(55,242)
Minority interests					(5,052)
Loss after taxation & minority interests					<u>(60,294)</u>

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

Other information

Segmental assets	605,883
Unallocated corporate assets	76,398
Segmental liabilities	(64,065)
Unallocated corporate liabilities	(193,847)
Capital expenditure	(158,129)
Depreciation	(5,880)
Amortisation	(4,666)

* 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

On 30 December 2009, the Company issued 59,754,093 new GPB Shares pursuant to the proposed Private Placement at an issue price of RM1.15 per GPB Share for cash (Placement Shares). The Placement Shares had been listed and quoted on the Main Market of Bursa Securities on 7 January 2010.

A11 Changes in the composition of the Group

The following are the changes in the composition of the Group during the current quarter and financial year ended 31 December 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.
- (f) On 22 October 2009, Packet One Sdn Bhd, a wholly-owned subsidiary of GPB, had incorporated a new wholly-owned subsidiary, namely, Packet One (S) Pte. Ltd. ("P1s"), in the Republic of Singapore. The issued and paid-up share capital of P1s is SGD2.00 comprising 2 ordinary shares. Its principal activity is the provision of last mile broadband network infrastructure facilities and services in Singapore.

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 31 December 2009 are as follows:

	RM'000
Authorised and contracted for:	
- Plant and equipment	97,334
- Inventory	35,192
	<u>132,526</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 RM73.54 million and RM95.61 million respectively for the current financial quarter ended 31 December 2009 ("4Q09"). This represents an increase of 199.7% compared to the turnover of RM24.53 million recorded for the previous year corresponding financial quarter ended 31 December 2008 ("4Q08"). Consequently, the loss after tax increased to RM 95.61 million in 4Q09 from a loss after tax of RM39.48 million registered in 4Q08.

Revenue contribution comprises the following:-

	4Q09	4Q08	% Change
	RM million	RM million	
Software application and engineering services	6.10	3.31	84.2%
Broadband Services and Solutions	44.07	7.70	N/A *
Communication/Voice Services	23.37	13.52	72.8%
	<u>73.54</u>	<u>24.53</u>	<u>199.7%</u>

The 4Q09 loss was mainly attributed to the additional provisions made for impairment of long term investments, investments in associates and inventories of approximately RM 26 million coupled with higher amortisation and depreciation costs, increased subscriber acquisition costs and substantially higher mass marketing expenses incurred.

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

While the revenue for 4Q09 has increased substantially from previous quarter due to higher subscribers for the wireless broadband business and securing of new customers for the solution business, the loss before tax from operations was higher due to continue investment in infrastructure, hence higher amortisation and depreciation costs, increased subscriber acquisition costs and substantially higher mass marketing expenses incurred to acquire new subscribers. The Group has also made provision for impairment of certain investments for the year.

	4Q09	3Q09	% Change
	RM'000	RM'000	
Revenue	73,540	63,035	16.7%
Loss before tax from operations	(51,510)	(22,965)	-124.3%
Amortisation & depreciation costs	(25,483)	(9,412)	-170.8%
Provision for impairment of investments/assets	(17,233)	-	-100.0%
Loss before tax	(94,226)	(32,377)	-191.0%
Loss after tax	(95,612)	(32,869)	-190.9%

B3 Business prospects

The Group's main revenue contributor, the broadband and voice business segment is projected to be competitive, with all major service providers rolling out service packages at attractive prices with improved service quality. The broadband market in Malaysia is however projected to see further strong growth in demand over the next few years. The Group will continue to invest and expand its network and service operations to capitalize on the opportunity. In view of the investments required, the Board of Directors expects the financial year ending 31 December 2010 to continue to be challenging.

B4 Variance of actual profit from forecast profit

Not applicable as no forecast was published.

B5 Income tax expense

	Financial year ended 31 December 2009 RM'000
Current tax expense - Malaysian	2,469

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 year ended 31 December 2009.

B7 Purchase or disposal of quoted securities

There were no purchases or disposals of quoted securities during the current financial year ended 31 December 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.

(b) Status of Utilisation of Proceeds

- i) The Company had, on 2 October 2009 completed its rights issue of 197,613,775 GPB Shares ("Rights Issue"), which had been listed and quoted on the Main Market of Bursa Securities on even date.

The details of the utilisation of the proceeds from the Rights Issue up to 31 December 2009 are as follows:-

Description	Proposed Utilisation	Actual Utilisation	Balance Unutilised
	RM'000	RM'000	RM'000
Capital Expenditure	80,000	64,786	15,214
Working capital	17,157	17,157	-
Rights Issue expenses	1,650	1,650	-

Total	98,807	83,593	15,214
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Note:-

#1 The proceeds from the Rights Issue are expected to be utilised within 24 months from the date of the completion of the Rights Issues on 2 October 2009.

B9 Group borrowings and debt securities

As at 31 December 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
- 4 Year Term Loan, which are denominated in Ringgit Malaysia.	50,000
Secured:	
- Amanah Term Financing, which is denominated in Ringgit Malaysia.	16,946
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	21,889
	38,835
	259,239
 Long term borrowings:	
-Hire purchase and finance lease liabilities, repayment more than 1 year	15,153
-Amanah Term Financing	14,160
-Syndicated Murabaha facilities	120,404
- 4 Year Term Loan, which are denominated in Ringgit Malaysia.	47,000
-Guaranteed redeemable convertible exchangeable bonds	50,000
	246,717
 Short term borrowings:	
-Amanah Term Financing	2,786
- 4 Year Term Loan, which are denominated in Ringgit Malaysia.	3,000
-Hire purchase and finance lease liabilities, repayment less than 1 year	6,736
	12,522
	259,239

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		Financial year ended	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Loss attributable to ordinary equity holders of the Company (RM'000)	(94,538)	(37,331)	(176,289)	(55,242)
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000) *	597,549	337,991	449,338	330,947
Basic loss per share (sen) *	(15.8)	(11.0)	(39.2)	(17.0)

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)
Ng Lai Yee (MAICSA 7031768)
Company Secretaries

