

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010.

<i>In thousands of RM</i>	Individual Quarter		Cummulative Quarter	
	3 Months Period Ended 31/12/2010	31/12/2009	Financial Year Ended 31/12/2010	31/12/2009
	(Unaudited)	(Unaudited)	(Unaudited) restated	(Audited)
Revenue	116,254	73,540	393,968	217,815
Operating expenses	(156,165)	(146,689)	(540,294)	(368,986)
Provision for impairment of investments and assets	(37,000)	(26,232)	(37,000)	(26,232)
Other income	472	389	926	3,160
Loss from operations	(76,439)	(98,992)	(182,400)	(174,243)
Finance costs	(5,999)	(2,232)	(9,036)	(10,050)
Share of profits of equity accounted investees, net of tax	(17,339)	(1,235)	(17,906)	(669)
Loss before tax	(99,777)	(102,459)	(209,342)	(184,962)
Income tax expense	(335)	(1,365)	(332)	(2,448)
Loss from continuing operation	(100,112)	(103,824)	(209,674)	(187,410)
Loss for the period	(100,112)	(103,824)	(209,674)	(187,410)
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(100,112)	(103,824)	(209,674)	(187,410)
Loss attributable to:				
Owners of the Company	(77,681)	(100,710)	(134,971)	(182,645)
Non-controlling interests	(22,431)	(3,114)	(74,703)	(4,765)
Loss for the Period	(100,112)	(103,824)	(209,674)	(187,410)
Total comprehensive loss attributable to:				
Owners of the Company	(77,681)	(100,710)	(134,971)	(182,645)
Non-controlling interests	(22,431)	(3,114)	(74,703)	(4,765)
Total comprehensive loss for the period	(100,112)	(103,824)	(209,674)	(187,410)
Loss per ordinary share (sen):				
- Basic	(11.8)	(15.3)	(20.5)	(27.8)
- Diluted	N/A	N/A	N/A	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010 (UNAUDITED)

	<-----Attributable to owners of the Company ----->						Sub-total	Non-controlling interests	Total Equity
	Shares capital	Non-Distributable			Distributable				
	Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Retained Profits				
<i>In thousands of RM</i>									
At 1 January 2010	131,461	345,530	419	(11,389)	69,204	(139,706)	395,519	5,307	400,826
Foreign currency translation differences for foreign operations	-	-	(2,039)	-	-	-	(2,039)	-	(2,039)
Total other comprehensive income for the period	-	-	(2,039)	-	-	-	(2,039)	-	(2,039)
Loss for the period	-	-	-	-	-	(134,971)	(134,971)	(74,703)	(209,674)
Total comprehensive loss for the period	-	-	(2,039)	-	-	(134,971)	(137,010)	(74,703)	(211,713)
Issuance of ordinary shares - Rights Issue	-	-	-	-	-	-	-	-	-
Issuance of preference shares - ICPS	-	-	-	-	-	-	-	322,910	322,910
Share issue expenses	-	-	-	-	-	-	-	(8,020)	(8,020)
Share-based payment transaction under ESOS	-	-	-	-	3,289	-	3,289	-	3,289
Exercised ESOS	90	270	-	-	-	-	360	-	360
Total contribution from / distribution to owners	90	270	-	-	3,289	-	3,649	314,890	318,539
At 31 December 2010	131,551	345,800	(1,620)	(11,389)	72,493	(274,677)	262,158	245,494	507,652

	<-----Attributable to Equity Holders of the Parent ----->						Sub-total	Non-controlling interests	Total Equity
	Shares capital	Non-Distributable			Distributable				
	Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Retained Profits				
<i>In thousands of RM</i>									
At 1 January 2009	79,987	292,274	1,269	(11,388)	7,336	42,939	412,417	11,952	424,369
Foreign currency translation differences for foreign operations	-	-	(850)	-	-	-	(850)	-	(850)
Total other comprehensive income for the period	-	-	(850)	-	-	-	(850)	-	(850)
Acquisition from minority interests	-	-	-	-	-	-	-	(1,880)	(1,880)
Loss for the period	-	-	-	-	-	(182,645)	(182,645)	(4,765)	(187,410)
Total comprehensive loss for the period	-	-	(850)	-	-	(182,645)	(183,495)	(6,645)	(190,140)
Issuance of ordinary shares - Rights Issue	39,523	-	-	-	59,284	-	98,807	-	98,807
Issuance of ordinary shares - Private Placement	11,951	56,767	-	-	-	-	68,718	-	68,718
Share issue expenses	-	(3,511)	-	-	(1,570)	-	(5,081)	-	(5,081)
Treasury shares required	-	-	-	(1)	-	-	(1)	-	(1)
Share-based payment transaction under ESOS	-	-	-	-	4,154	-	4,154	-	4,154
Total contribution from / distribution to owners	51,474	53,256	-	(1)	61,868	-	166,597	-	166,597
At 31 December 2009	131,461	345,530	419	(11,389)	69,204	(139,706)	395,519	5,307	400,826

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

<i>In thousands of RM</i>	As at 31/12/2010 (Unaudited)	As at 31/12/2010 (Unaudited) (Restated)	As at 31/12/2009 (Audited) (Restated)
ASSETS			
Property, plant and equipment	518,747	518,747	484,250
Intellectual property	5,305	5,305	9,500
Development costs	50,262	50,262	60,790
Investment in associates	-	-	18,785
Other long term investments	135	135	9,263
Goodwill on acquisition	6,175	6,175	23,141
Total non-current assets	580,624	580,624	605,729
Inventories	33,970	33,970	35,732
Trade receivables	45,557	45,557	42,840
Other receivables, deposits and prepayments	120,595	120,595	147,882
Tax recoverable account	561	561	561
Deposits with licensed banks	138,569	138,569	2,792
Cash and bank balances	33,393	33,393	144,363
Total current assets	372,645	372,645	374,170
TOTAL ASSETS	953,269	953,269	979,899
EQUITY			
Share capital	131,551	131,551	131,461
Reserves	94,555	130,607	264,058
Company	226,106	262,158	395,519
Non-controlling interests	281,546	245,494	5,307
Total equity	507,652	507,652	400,826
LIABILITIES			
Other payables and accruals	51,960	51,960	100,672
Guaranteed redeemable convertible exchangeable bonds	50,000	50,000	50,000
Bank borrowings	114,123	114,123	162,998
Hire purchase and finance lease liabilities	2,427	2,427	8,952
Deferred tax liabilities	2,767	2,767	2,499
Total non-current liabilities	221,277	221,277	325,121
Trade payables	43,107	43,107	67,951
Other payables and accruals	109,331	109,331	147,470
Tax payable	262	262	-
Bank borrowings	65,697	65,697	32,519
Hire purchase and finance lease liabilities	5,943	5,943	6,012
Total current liabilities	224,340	224,340	253,952
TOTAL LIABILITIES	445,617	445,617	579,073
TOTAL EQUITY AND LIABILITIES	953,269	953,269	979,899
Net asset per share attributable to ordinary equity holders of the parent (sen)	77	77	61

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
FINANCIAL PERIOD ENDED 30 DECEMBER 2010 (UNAUDITED)**

	Financial period ended	
	31/12/2010	31/12/2009
	(Unaudited)	(Audited)
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(209,342)	(184,962)
Adjustments for non cash items:-		
Amortisation of development cost	3,602	3,750
Amortisation of intellectual property	2,612	2,280
Amortisation of prepaid land lease payments	819	317
Depreciation of plant and equipment	52,142	15,574
Share based payment under ESOS	3,289	4,154
Share of net (loss)/profit in associates	17,906	669
Other non-cash items	48,825	45,115
Operating loss before working capital changes	(80,147)	(113,103)
Changes in working capital		
Decrease/(Increase) in assets	24,206	(157,699)
(Decrease)/Increase in liabilities	(111,433)	126,864
Cash for operating activities	(167,374)	(143,938)
Interest paid	(9,036)	(10,050)
Tax paid	(64)	(1,075)
Net cash for operating activities	(176,474)	(155,063)
CASH FLOW FOR INVESTING ACTIVITIES		
Issuance of Convertible Preference Share to non-controlling interest	322,910	-
Acquisition of subsidiaries	-	(213)
Acquisition of long term investments	-	(7,650)
Development expenditure incurred	(1,354)	(20,367)
Interest received	511	2,546
Proceeds from disposal of plant and equipment	-	412
Purchase of plant and equipment, Intellectual Property	(88,796)	(165,002)
Subscription of RCPS-i	-	(226)
Net cash for investing activities	233,271	(190,500)
CASH FLOW FOR FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	360	167,525
Share issue expenses	(8,020)	(5,081)
Net drawdown/(repayment) of bank borrowings	(15,697)	56,078
Repayment to hire purchase/lease obligations	(6,594)	(6,177)
Treasury shares acquired	-	(1)
Net cash for financing activities	(29,951)	212,344
Net decrease in cash and cash equivalents	26,846	(133,219)
Foreign exchange translation differences	(2,039)	(850)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	147,155	281,224
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	171,962	147,155
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	33,393	2,792
Fixed deposit with licensed bank	138,569	144,363
	171,962	147,155

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009.

GREEN PACKET BERHAD (534942-H)
(Incorporated in Malaysia)
INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010.

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 2009. 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 2009.

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 2009, except for the mandatory adoption of the following new and revised Financial Reporting Standards ("FRSs") and Issues Committee Interpretations ("IC Int.") beginning on or after 1 January 2010 as detailed below:

FRS 3	Business Combinations
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 3	Business Combinations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Int.9	Reassessment of Embedded Derivatives
IC Int.10	Interim Financial Reporting and Impairment
IC Int.11	FRS 2 – Group and Treasury Share Transactions
IC Int.13	Customer Loyalty Programmes
IC Int.14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

The adoption of the above did not have any significant effects on the interim financial report upon their initial application, other than as discussed below:

- a) FRS 101: Presentation of Financial Statements (revised)
The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labelled as total comprehensive income. In addition, the consolidated balance sheet was renamed as the consolidated statement of financial position in the interim financial report. This standard did not have any impact on the financial position and results of the Group.
- b) Amendments to FRSs 'Improvements to FRSs (2009)' – FRS 117: Leases
FRS 117 clarifies on the classification of leases of land and buildings. The resulting effect of this Standard taking effect was the reclassification of prepaid leases on land back into property, plant and equipment, rather than being separately classified under prepaid lease payments on the consolidated statement of financial position, as disclosed under Note A15.

- c) FRS 139: Financial Instruments: Recognition and Measurement, and Amendments to FRS 139: Financial Instruments: Recognition and Measurement
- The new Standard on FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. There were no significant changes to the interim financial report other than the:
- i) designation of the short-term investment as an available-for-sale financial asset; and
 - ii) inclusion of off-balance sheet derivatives at their fair values, in the interim financial report, in line with the accounting policy as disclosed under Note B10.

This standard did not have any significant impact on the financial position and results of the Group.

During the current financial year, the Group has adopted in advance the following revised accounting standards and interpretations (including the consequential amendment):

FRS 3 (2010)	Business Combinations
FRS 127 (2010)	Consolidation Separate Financial Statement

The revised FRS 3 (2010) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and do not have any financial impact on the financial statements of the Group for the current financial year.

The revised FRS 127 (2010) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent.

The financial effect of the adoption of FRS 127 (2010) is as follows:-

	2010 RM'000	2009 RM'000
Additional loss absorbed by minority interest	<u>74,703</u>	<u>-</u>

The Group's realized and unrealized accumulated losses disclosure are as follows:

	Accumulated quarter ended 31.12.2010 RM'000	Accumulated quarter ended 30.09.2010 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised	(269,756)	(204,140)
- Unrealised	14,308	9,500
Total share of accumulated losses from associates:		
- Realised	(19,229)	(1,890)
- Unrealised	-	-
Add: Consolidation adjustments	-	-
Total Group accumulated losses	<u>(274,677)</u>	<u>(196,530)</u>

A2 Auditors' report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2009 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 for the quarter ended 31 December 2010.

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 2010, 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 9th Annual General Meeting of GPB held on 29 June 2010. There were no share buy back during the year ended 31 December 2010. As at 31 December 2010, 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 year ended 31 December 2010. The GPB Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965.
- (b) On 1 March 2010, the Company had via a fourth allocation of share options under the ESOS, granted 11,611,800 new share options with an exercise price of RM1.10 to eligible employees and directors of the Company and its subsidiaries. The New Options will expire by 8 August 2011.

During the financial year ended 31 December 2010, the issued and paid-up capital of the Company increased from RM 131,460,785.60 to RM 131,550,657.20 as a result of the exercise and allotment of 449,361 options shares of par value of RM 0.20 each at an option price of RM 0.80 per share. The movement of the options for the period under review is as follows :

	Number of options over ordinary shares of RM0.20 each			
	At exercise price of			
	RM 4.22 each (000)	RM 1.97 each (000)	RM 0.80 each (000)	RM 1.10 each (000)
Balance as at 1 Jan 2010	7,597	8,673	8,486	-
Granted at 1 March 2010	-	-	-	11,612
Cancellation during the period	(457)	(1,221)	(930)	(1,529)
Exercise during the period	-	-	(449)	-
Outstanding as at 31 December 2010	<u>7,140</u>	<u>7,452</u>	<u>7,107</u>	<u>10,083</u>

A7 Dividends Payment

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 Dec 2010	Malaysia RM'000	APAC* RM'000	MEA** RM'000	Others*** RM'000	Group RM'000
Revenue					
Software and Devices	81,783	20,931	4,659	-	107,373
Broadband Services	208,281	-	-	-	208,281
Communication/Voice Services	19,317	58,997	-	-	78,314
	<u>309,381</u>	<u>79,928</u>	<u>4,659</u>	<u>-</u>	<u>393,968</u>
Results					
Software and Devices	4,915	(1,164)	(936)	-	2,815
Broadband Services	(150,207)	-	-	-	(150,207)
Communication/Voice Services	586	895	-	-	1,481
	<u>(144,706)</u>	<u>(269)</u>	<u>(936)</u>	<u>-</u>	<u>(145,911)</u>
Finance costs					(9,036)
Finance income					511
					<u>(154,436)</u>
Provision for impairment of investments and assets					(37,000)
Share of profits of equity accounted investees, net tax					(17,906)
Loss before taxation					<u>(209,342)</u>
Income tax expense					(332)
Loss after taxation					<u>(209,674)</u>
Non-controlling interests					74,703
Loss after taxation & Non-controlling interests					<u>(134,971)</u>

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

<u>Other information</u>	
Segmental assets	-
Total assets	953,269
Segmental liabilities	-
Total liabilities	(445,617)
Capital expenditure	(88,796)
Depreciation	(52,142)
Amortisation	(7,033)

- * Asia-Pacific region excludes Malaysia
 ** Middle East and Africa region
 *** Others include Europe and America region.

Results for the financial period ended 31 December 2009	Malaysia RM'000	APAC* RM'000	MEA** RM'000	Others*** RM'000	Group RM'000
Revenue					
Software and Devices	8,558	3,420	2,492	-	14,470
Broadband Services and Solutions	95,480	-	-	-	95,480
Communication/Voice Services	60,812	47,053	-	-	107,865
Engineering Services and Solutions	-	-	-	-	-
	<u>164,850</u>	<u>50,473</u>	<u>2,492</u>	<u>-</u>	<u>217,815</u>
Results					
Software and Devices	(29,237)	(4,004)	(3,807)	-	(37,048)
Broadband Services and Solutions	(140,479)	-	-	-	(140,479)
Communication/Voice Services	(626)	750	-	-	124
Engineering Services and Solutions	-	-	-	-	-
	<u>(170,342)</u>	<u>(3,254)</u>	<u>(3,807)</u>	<u>-</u>	<u>(177,403)</u>
Finance costs					(10,050)
Other income					<u>3,160</u>
					(184,293)
Share of profit in associate					(669)
Loss before taxation					(184,962)
Taxation					(2,448)
Loss after taxation					(187,410)
Non-controlling interests					<u>4,765</u>
Loss after taxation & non-controlling interests					<u>(182,645)</u>

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

<u>Other information</u>	
Segmental assets	-
Total assets	979,899
Segmental liabilities	-
Total liabilities	(579,073)
Capital expenditure	(165,002)
Depreciation	(15,574)
Amortisation	(6,347)

- * Asia Pacific region exclude Malaysia
 ** Middle East and Africa region
 *** Others include Europe and America region.

A9 Valuation of property, plant and equipment

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

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the financial year ended 31 December 2010, except for the following:-

- (a) On 9 February 2011, the companies has signed an agreement with Time Warner Cable, the second largest cable operator in the U.S. for the company to provide customised next generation connection management solutions.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year ended 31 December 2010, except for the followings :

- (a) On 24 May 2010, the Company's indirect dormant subsidiary, Brillante Novastella Sdn. Bhd. had been struck off from the register of the Companies Commission of Malaysia pursuant to Section 308(4) of the Companies Act, 1965.
- (b) On 15 November 2010, the Company's subsidiaries, Green Packet Networks (Singapore) Pte. Ltd. and One Vois Global Co., Ltd. entered into a Shares Sale and Purchase Agreement with Mr. Prateep Prawattiyakul ("Prateep") to sell to Prateep an aggregate of 20,499 ordinary shares with a par value of Thai Baht ("THB") 100 each in One Vois Communication Co., Ltd. ("OVC") representing approximately 99.99% equity interest in OVC for a total cash consideration of THB100 (equivalent to approximately RM10) ("Disposal of OVC"). The Disposal of OVC was completed on 15 November 2010.

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

Authorised and contracted for:	RM'000
- Plant and equipment	124,002
- Inventory	79,073
	<u>203,075</u>

A14 Significant related party transactions

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

A15 Comparatives

The following comparatives have been reclassified to conform with the current financial period's presentation:

	Restated RM'000	Previously stated RM'000
Statement of Financial Position - Non current assets		
Plant and equipment	484,250	467,079
Prepaid land lease payments	-	17,171

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 RM116.25 million and RM99.8 million respectively for the current financial quarter ended 31 December 2010 ("4Q10"). This represents an increase of 58.1% compared to the turnover of RM73.54 million recorded for the previous year corresponding financial quarter ended 31 December 2009 ("4Q09"). Consequently, the loss after tax reduced to RM 99.8 million in 4Q10 from a loss after tax of RM103.82 million registered in 4Q09.

Revenue contribution comprises the following:-

	4Q10 RM million	4Q09 RM million	% Change
Software, devices and engineering services	44.61	6.10	630.8%
Broadband Services and Solutions	55.07	44.07	25.0%
Communication/Voice Services	16.57	23.37	-29.1%
	<u>116.25</u>	<u>73.54</u>	58.1%

The 4Q10 loss after tax was higher than 4Q09 mainly attributed to higher depreciation of plant and equipment in accordance with the planned rollout of the broadband infrastructure, the higher provision for impairment of investments and assets of RM37.0 million and higher share of losses of associated company of RM17.3 million, which is also mainly due to impairment of investments and assets at associated company books. This is mitigated by substantial improvement in operational results in major business segments mainly due to growth in revenue of 58.1%.

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

The revenue for 4Q10 has increased substantially from the previous quarter mainly due to higher subscribers base for the wireless broadband business and securing of new customers for the solution business. However, The 4Q10 loss after tax was higher than 3Q10 mainly attributed to higher provision for impairment of investments and assets of RM37.0 million and higher share of losses of associated company of RM17.3 million, which is also mainly due to impairment of investments and assets at associated company books.

	4Q10 RM million	3Q10 RM million	% Change
Revenue	116.25	100.89	15.2%
Loss before tax	(99.78)	(30.07)	-231.8%
Loss after tax	(100.11)	(28.91)	-246.3%

B3 Business prospects

With our stronger broadband base which has surpassed our 2010 subscriber target of 280,000 and the Company's recent success in penetrating the U.S. market for connection management solutions, the Board of Directors expects the Group to record better performance for the new financial year ending 31 December 2011.

B4 Variance of actual profit from forecast profit

Not applicable as no forecast was published.

B5 Income tax expense

	Financial year ended 31 December 2010 RM'000
Current tax expense - Malaysian	<u>332</u>

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 purchases or disposals of unquoted investments and properties during the current financial year ended 31 December 2010.

B7 Purchase or disposal of quoted securities

There were no purchases or disposals of quoted securities during the current financial year ended 31 December 2010.

B8 Status of corporate proposals and utilisation of proceeds

(a) Status of Corporate Proposals announced but not completed

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 and licensing 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.

B9 Group borrowings and debt securities

As at 31 December 2010, 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.	105,992
- 4 year 4.5% guaranteed redeemable convertible exchangeable bonds, which is denominated in Ringgit Malaysia.	50,000
- Amanah Trade Bills	12,656
- Revolving credits	4,500
- 4 Year Term Loan, which are denominated in Ringgit Malaysia.	43,693
Secured:	
- Amanah Term Financing, which is denominated in Ringgit Malaysia.	12,768
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	8,581
	21,349
	<u>238,190</u>
Long term borrowings:	
- Hire purchase and finance lease liabilities, repayment more than 1 year	2,427
- Amanah Term Financing	9,981
- Syndicated Murabaha facilities	70,662
- 4 Year Term Loan, which are denominated in Ringgit Malaysia.	33,480
- Guaranteed redeemable convertible exchangeable bonds	50,000
	<u>166,550</u>
Short term borrowings:	
- Amanah Term Financing	2,786
- Amanah Trade Bills	12,656
- Syndicated Murabaha facilities	35,330
- Revolving credits	4,500
- 4 Year Term Loan, which are denominated in Ringgit Malaysia.	10,214
- Hire purchase and finance lease liabilities, repayment less than 1 year	6,154
	71,640
	<u>238,190</u>

B10 Financial Instruments

The Group has entered into forward foreign exchange contracts to manage the exposure to foreign exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies.

Forward foreign exchange contracts are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

The outstanding forward foreign exchange contracts as at 16 February 2011, being the latest practicable date prior to the issue of this report, are as follows:

Type of Derivatives	Currency	Maturity less than 1 year RM'000	Notional Value RM'000
Forward Foreign Exchange Contract			
- Buy contracts	USD	-	-

There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives and policies since the previous financial year end.

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 sharea) **Basic EPS**

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

	3 months period ended		Financial year ended	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Loss attributable to ordinary equity holders of the Company (RM'000)	(77,681)	(100,710)	(134,971)	(182,645)
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000) *	657,654	657,304	657,654	657,304
Basic loss per share (sen) *	(11.8)	(15.3)	(20.5)	(27.8)

b) **Diluted EPS**

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

BY ORDER OF THE BOARD

Lim Ming Toong (MAICSA 7000281)
Ng Lai Yee (MAICSA 7031768)
Company Secretaries
Kuala Lumpur
16 February 2011