

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011.**  
**(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		Financial Period Ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	127,807	90,007	249,516	176,822
Operating expenses	(159,820)	(124,058)	(313,852)	(254,427)
Other income	187	114	494	440
Loss from operations	(31,826)	(33,937)	(63,842)	(77,165)
Finance costs	(4,821)	(1,240)	(10,263)	(1,855)
Share of profits of equity accounted investees, net of tax	-	(211)	-	(476)
<b>Loss before tax</b>	<b>(36,647)</b>	<b>(35,388)</b>	<b>(74,105)</b>	<b>(79,496)</b>
Income tax expense	(422)	(512)	(857)	(1,157)
<b>Loss for the period</b>	<b>(37,069)</b>	<b>(35,900)</b>	<b>(74,962)</b>	<b>(80,653)</b>
Foreign currency translation differences for foreign operations	(1,067)	(1,428)	(1,311)	(1,255)
<b>Total other comprehensive expense for the period</b>	<b>(1,067)</b>	<b>(1,428)</b>	<b>(1,311)</b>	<b>(1,255)</b>
<b>Total comprehensive loss for the period</b>	<b>(38,136)</b>	<b>(37,328)</b>	<b>(76,273)</b>	<b>(81,908)</b>
Loss attributable to:				
Owners of the Company	(15,239)	(18,682)	(34,246)	(43,503)
Non-controlling interests	(21,830)	(17,218)	(40,716)	(37,150)
<b>Loss for the Period</b>	<b>(37,069)</b>	<b>(35,900)</b>	<b>(74,962)</b>	<b>(80,653)</b>
Total comprehensive loss attributable to:				
Owners of the Company	(16,306)	(20,110)	(35,557)	(44,758)
Non-controlling interests	(21,830)	(17,218)	(40,716)	(37,150)
<b>Total comprehensive loss for the period</b>	<b>(38,136)</b>	<b>(37,328)</b>	<b>(76,273)</b>	<b>(81,908)</b>
Basic loss per ordinary share (sen):	(2.3)	(2.8)	(5.2)	(6.6)
Diluted loss per ordinary share (sen):	N/A	N/A	N/A	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

**GREEN PACKET BERHAD ( 534942-H )**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	<b>As at 30/6/2011</b>	<b>As at 31/12/2010</b>
	<b>(Unaudited) RM'000</b>	<b>(Audited) RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	564,747	504,990
Other long term investments	135	135
Goodwill on acquisition	18,811	18,811
Development costs	45,812	44,907
Intangible/Customer Modem assets	96,597	69,033
<b>Total non-current assets</b>	<b>726,102</b>	<b>637,876</b>
Inventories	26,253	21,779
Trade receivables	53,499	60,513
Other receivables, deposits and prepayments	33,777	60,959
Tax Refundable	162	162
Deposits with licensed banks	2,349	72,368
Cash and bank balances	90,278	98,452
<b>Total current assets</b>	<b>206,318</b>	<b>314,233</b>
<b>TOTAL ASSETS</b>	<b>932,420</b>	<b>952,109</b>
<b>EQUITY</b>		
Share capital	131,551	131,551
Reserves	89,463	123,420
<b>Company</b>	<b>221,014</b>	<b>254,971</b>
<b>Non-controlling interests</b>	<b>3,643</b>	<b>44,359</b>
<b>Total equity</b>	<b>224,657</b>	<b>299,330</b>
<b>LIABILITIES</b>		
Guaranteed redeemable convertible exchangeable bonds	50,000	50,000
Irredeemable Convertible Preference Shares -Class C ("Class C ICPS") - Liabilities components	165,099	158,707
Class C ICPS - Deferred tax components	40,290	40,290
Bank Borrowings	88,900	112,900
Hire purchase and finance lease liabilities	915	2,217
Other payables and accruals	127,576	46,112
Deferred tax liabilities	3,209	2,954
<b>Total non-current liabilities</b>	<b>475,989</b>	<b>413,180</b>
Trade payables	39,877	39,763
Other payables and accruals	117,138	133,240
Bank borrowings	72,118	60,806
Hire purchase and finance lease liabilities	2,641	5,790
<b>Total current liabilities</b>	<b>231,774</b>	<b>239,599</b>
<b>TOTAL LIABILITIES</b>	<b>707,763</b>	<b>652,779</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>932,420</b>	<b>952,109</b>
<b>Net asset per share attributable to ordinary equity holders of the parent (sen)</b>	<b>34</b>	<b>40</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

**GREEN PACKET BERHAD ( 534942-H )**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**  
**(The figures have not been audited)**

	<-----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			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2011	131,551	345,372	47	(11,389)	72,493	(283,103)	254,971	44,359	299,330
Foreign currency translation differences for foreign operations	-	-	(1,311)	-	-	-	(1,311)	-	(1,311)
Total other comprehensive income for the period	-	-	(1,311)	-	-	-	(1,311)	-	(1,311)
Loss for the period	-	-	-	-	-	(34,246)	(34,246)	(40,716)	(74,962)
<b>Total comprehensive loss for the period</b>	-	-	(1,311)	-	-	(34,246)	(35,557)	(40,716)	(76,273)
Share-based payment transaction under ESOS	-	-	-	-	1,600	-	1,600	-	1,600
<b>Total contribution from / distribution to owners</b>	-	-	-	-	1,600	-	1,600	-	1,600
At 30 June 2011	131,551	345,372	(1,264)	(11,389)	74,093	(317,349)	221,014	3,643	224,657

**GREEN PACKET BERHAD ( 534942-H )**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

(The figures have not been audited)

	<-----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			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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	-	-	(1,255)	-	-	-	(1,255)	-	(1,255)
Total other comprehensive income for the period	-	-	(1,255)	-	-	-	(1,255)	-	(1,255)
Loss for the period	-	-	-	-	-	(43,503)	(43,503)	(37,150)	(80,653)
<b>Total comprehensive loss for the period</b>	-	-	(1,255)	-	-	(43,503)	(44,758)	(37,150)	(81,908)
Share-based payment transaction under ESOS	-	-	-	-	1,600	-	1,600	-	1,600
Exercised ESOS	70	210	-	-	-	-	280	-	280
<b>Total contribution from / distribution to owners</b>	70	210	-	-	1,600	-	1,880	-	1,880
At 30 June 2010	131,531	345,740	(836)	(11,389)	70,804	(183,209)	352,641	(31,843)	320,798

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

**(The figures have not been audited)**

	<b>Financial period ended</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(74,105)	(79,496)
Adjustments for non cash items:-		
Amortisation of development cost	3,184	1,320
Amortisation of intellectual property	1,355	1,302
Amortisation of modem	16,887	17,957
Amortisation of prepaid land lease payments	410	410
Depreciation of plant and equipment	29,878	24,510
Share based payment under ESOS	1,600	1,600
Share of net (loss)/profit in associates	-	476
Other non-cash items	9,789	1,821
Operating loss before working capital changes	(11,002)	(30,100)
Changes in working capital		
Decrease/(Increase) in assets	(16,084)	54,153
(Decrease)/Increase in liabilities	71,868	(14,145)
Cash for operating activities	44,782	9,908
Interest paid	(10,262)	(1,855)
Tax paid	(602)	(1,029)
<b>Net cash for operating activities</b>	<b>33,918</b>	<b>7,024</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Development expenditure incurred	(4,089)	4,086
Interest received	473	34
Purchase of plant and equipment	(90,045)	(58,257)
<b>Net cash for investing activities</b>	<b>(93,661)</b>	<b>(54,137)</b>
<b>CASH FLOW FOR FINANCING ACTIVITIES</b>		
Net drawdown/(repayment) of bank borrowings	(12,688)	5,315
Repayment to hire purchase/lease obligations	(4,451)	(1,582)
Exercised ESOS	-	280
<b>Net cash for financing activities</b>	<b>(17,139)</b>	<b>4,013</b>
Net decrease in cash and cash equivalents	(76,882)	(43,100)
Foreign exchange translation differences	(1,311)	(1,255)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	170,820	147,155
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	92,627	102,800
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	90,278	101,655
Fixed deposit with licensed bank	2,349	1,145
	92,627	102,800

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011.**

**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 2010. 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 2010.

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 2010, 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 2011 as detailed below:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell controlling interest in a subsidiary)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127)
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
IC Int.16	Hedges of a Net Investment in a Foreign Operation
IC Int.17	Distributions of Non-cash Assets to Owners

The adoption of the above did not have any significant financial effects on the interim financial report of the Group. In the last 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

**A2 Auditors' report on preceding annual financial statements**

The auditor's report on the financial statements for the financial year ended 31 December 2010 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 period ended 30 June 2011, except for:

- (a) On 17 February 2011, GPB had extended the duration of the existing ESOS which is expiring on 8 August 2011 for a further five (5) years to 8 August 2016. The extension is in accordance with the By-Laws of the ESOS and is not subject to any approvals from Bursa Malaysia Securities Berhad, the Securities Commission and the shareholders of the Company.
- (b) On 5 May 2011, the Company had via a fifth allocation of share options under the ESOS, granted 10,500,000 new share options with an exercise price of RM0.60 to eligible employees and directors of the Company and its subsidiaries. The New Options will expire by 8 August 2016.

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)	RM 0.60 each (‘000)
Balance as at 1 Jan 2011	7,140	7,452	7,201	10,083	-
Granted during the period	-	-	-	-	10,500
Cancellation during the period	(194)	(657)	(480)	(787)	(165)
Exercise during the period	-	-	-	-	-
Outstanding as at 30 June 2011	<u>6,946</u>	<u>6,795</u>	<u>6,721</u>	<u>9,296</u>	<u>10,335</u>

**A7 Dividends Payment**

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 financial period ended 30 June 2011**

	Malaysia RM'000	Overseas RM'000	Group RM'000
<b>Revenue</b>			
Software and Devices	20,544	67,280	87,824
Broadband Services	124,735	-	124,735
Communication/Voice Services	8,453	28,504	36,957
	<u>153,732</u>	<u>95,784</u>	<u>249,516</u>

**Results**

Software and Devices	3,492	5,171	8,663
Broadband Services	(73,594)	-	(73,594)
Communication/Voice Services	360	256	616
	<u>(69,742)</u>	<u>5,427</u>	<u>(64,315)</u>
Finance costs			(10,263)
Finance income			473
			<u>(74,105)</u>
Income tax expense			(857)
Loss after taxation			<u>(74,962)</u>
Non-controlling interests			40,716
Loss after taxation & Non-controlling interests			<u>(34,246)</u>

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

<u>Other information</u>	
Segmental assets	-
Total assets	932,420
Segmental liabilities	-
Total liabilities	(707,763)
Capital expenditure	(90,045)
Depreciation	(29,878)
Amortisation	(21,836)

**Results for the financial period ended 30 June 2010**

	Malaysia RM'000	Overseas RM'000	Group RM'000
<u>Revenue</u>			
Software and Devices	22,226	14,961	37,187
Broadband Services and Solutions	98,057	-	98,057
Communication/Voice Services	10,473	31,106	41,579
	<u>130,756</u>	<u>46,067</u>	<u>176,823</u>

**Results**

Software and Devices	4,594	205	4,799
Broadband Services and Solutions	(82,924)	-	(82,924)
Communication/Voice Services	738	188	926
	<u>(77,592)</u>	<u>393</u>	<u>(77,199)</u>
Finance costs			(1,855)
Finance income			34
			<u>(79,020)</u>
Share of profit in associate			(476)
Loss before taxation			<u>(79,496)</u>
Taxation			(1,157)
Loss after taxation			<u>(80,653)</u>
Non-controlling interests (Restated)			37,150
Loss after taxation & minority interests (Restated)			<u>(43,503)</u>

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

<u>Other information</u>	
Segmental assets	-
Total assets	889,587
Segmental liabilities	-
Total liabilities	(568,789)
Capital expenditure	(58,257)
Depreciation	(24,510)
Amortisation	(3,032)

**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 period ended 30 June 2011, except for the following corporate development:-

On 16 May 2011, GPB has announced :

- a) The proposed issuance of 153,276 Class C Islamic Irredeemable Convertible Preference Shares of RM0.10 each in Packet One Networks (Malaysia) Sdn Bhd, a 55% owned subsidiary of the Company ("P1") ("Class C ICPS-i") to SK Telecom Co., Ltd. ("SKT") for a total cash consideration of approximately RM50.53 million or RM329.68 per Class C ICPS-i (Proposed Issuance") and;
- b) The proposed subscription for up to 458,397 Class A Islamic Irredeemable Convertible Preference Shares of RM0.10 each in P1 ("Class A ICPS-i"), by the Company for a total subscription price of up to approximately RM151.12 million or RM329.68 per Class A ICPS-i ("Proposed Subscription").

(Collectively, referred to as the "Proposals")

The Proposals were approved by shareholders at the Extraordinary General Meeting held on 7 July 2011.

On 7 July 2011, the Company has announced that P1 has issued the following:-

- a) 276,026 Class A ICPS-i to GPB arising from the conversion and capitalisation of the amount of approximately RM91 million due and owing by P1 to GPB; and
- b) 153,276 Class C ICPS-i to SKT for a total cash consideration of approximately RM50.53 million.

#### A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 30 June 2011.

#### 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 June 2011 are as follows:

	RM'000
Authorised and contracted for:	
- Plant and equipment	157,461
- Inventory	91,773
	<u>249,234</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.

### 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 RM127.81 million and RM37.07 million respectively for the current financial quarter ended 30 June 2011 ("2Q11"). This represents a significant increase of 42% compared to the turnover of RM90.01 million recorded for the previous year corresponding financial quarter ended 30 June 2010 ("2Q10"). Consequently, the loss after tax increased to RM 37.07 million in 2Q11 from a loss after tax of RM35.9 million registered in 2Q10.

Revenue contribution comprises the following:-

	2Q11	2Q10	% Change
	RM million	RM million	
Software, devices and engineering services	40.48	14.92	171.3%
Broadband Services and Solutions	68.57	52.33	31.0%
Communication/Voice Services	18.76	22.76	-17.6%
	<u>127.81</u>	<u>90.01</u>	<u>42.0%</u>

The 2Q11 loss after tax was higher than 2Q10 mainly attributed by higher depreciation of plant and equipment in accordance with the planned rollout of the broadband infrastructure even with higher revenue from software and broadband business

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

The revenue for 2Q11 was higher than the preceding quarter mainly due to higher subscribers base for the wireless broadband business and securing of new customers for the solution business. Consequently, the 2Q11 loss after tax was lower than 1Q11 due to higher revenue in 2Q11.

	2Q11 RM million	1Q11 RM million	% Change
Revenue	127.81	121.71	5.0%
Loss before tax	(36.65)	(37.46)	2.2%
Loss after tax	(37.07)	(37.89)	2.2%

**B3 Business prospects**

The telecommunication industry in Malaysia is still awaiting for the award of the new 2.6 Ghz spectrum. Although competition can be expected to increase, the net subscribers for our broadband business segment continued to grow. Additionally, the software and devices business segment is still promising to generate strong growth in sales especially from the Middle East and South Asia markets. Accordingly, the Board of Directors expects better performance for the Group in tandem with this improved market landscape.

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

Not applicable as no forecast was published.

**B5 Income tax expense**

	Financial year ended 30 June 2011 RM'000
Current tax expense - Malaysian	857

The current tax paid/payable is mainly in respect of interest income from bank deposits and business income generated by Nextel companies. 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.

**B6 Purchase or disposal of properties and unquoted investments**

There were no purchases or disposals of unquoted investments and properties during the current financial period ended 30 June 2011.

**B7 Purchase or disposal of quoted securities**

There were no purchases or disposals of quoted securities during the current financial period ended 30 June 2011.

**B8 Status of corporate proposals and utilisation of proceeds**

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 30 June 2011, total borrowings of the Group are as follows:

	RM '000
<u>Total borrowings:</u>	
Unsecured:	
- Structured Commodity Financing-i Term Facility ("i Term Facility")	23,953
- Guaranteed redeemable convertible exchangeable bonds	50,000
- Syndicated Murabaha Facility ("Murabaha Facility")	59,883
- Revolving Credits	3,500
- Amanah Trade Bills	21,881
- Murabahah Project Facility ("Project Facility")	40,426
- Irredeemable Convertible Preference Shares ("ICPS") - liability component	165,099
Secured:	
- Amanah Term Financing, which is denominated in Ringgit Malaysia.	11,375
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	3,556
	14,931
	379,673
Non-current portion:	
- Hire purchase and finance lease liabilities, repayment more than 1 year - later than one year not later than five years	915
- Borrowings:	
- repayable between one and two years	113,954
- repayable between two and five years	24,946
- repayable after five years	165,099
	304,914
Current portion:	
- Hire purchase and finance lease liabilities, repayment less than 1 year	2,641
- Borrowings, repayable within one year	72,118
	74,759
	379,673

## B10 Financial Instruments

The Group may 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.

There is not outstanding forward foreign exchange contracts as at 15 August 2011.

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 Realized and unrealized losses disclosure**

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

	Accumulated period ended 30.6.2011 RM'000	Accumulated period ended 31.3.2011 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised	(486,157)	(413,657)
- Unrealised	19,938	18,938
Total share of accumulated losses from associates:		
- Realised	-	-
- Unrealised	-	-
Consolidation adjustments	148,870	92,609
Total Group accumulated losses	<u>(317,349)</u>	<u>(302,110)</u>

**B14 Earnings per share**a) **Basic EPS**

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

	3 months period ended		6 months period ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
Loss attributable to ordinary equity holders of the Company (RM'000)	(15,239)	(18,682)	(34,246)	(43,503)
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000) *	657,753	657,654	657,753	657,654
Basic loss per share (sen) *	<u>(2.3)</u>	<u>(2.8)</u>	<u>(5.2)</u>	<u>(6.6)</u>

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  
 15-Aug-11