

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011.**

(The figures have not been audited)

	Quarter Ended		Year-to-date Ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM '000	RM '000	RM '000	RM '000
Revenue	155,709	116,254	539,640	393,968
Operating expenses	(203,149)	(203,130)	(690,541)	(587,260)
Other income	3,176	895	3,924	1,348
Loss from operations	(44,264)	(85,981)	(146,977)	(191,944)
Finance costs	(18,205)	(12,982)	(33,613)	(16,020)
Share of profits of equity accounted investees, net of tax	-	(17,340)	-	(17,907)
<b>Loss before tax</b>	(62,469)	(116,303)	(180,590)	(225,871)
Income tax expense	957	305	(203)	308
<b>Loss for the period</b>	(61,512)	(115,998)	(180,793)	(225,563)
Foreign currency translation differences for foreign operations	726	(402)	331	(372)
<b>Total other comprehensive income/(expense) for the period</b>	726	(402)	331	(372)
<b>Total comprehensive loss for the period</b>	(60,786)	(116,400)	(180,462)	(225,935)
Loss attributable to:				
Owners of the Company	(29,886)	(86,182)	(88,453)	(143,397)
Non-controlling interest	(31,626)	(29,816)	(92,340)	(82,166)
<b>Loss for the Period</b>	(61,512)	(115,998)	(180,793)	(225,563)
Total comprehensive loss attributable to:				
Owners of the Company	(29,160)	(86,584)	(88,122)	(143,769)
Non-controlling interest	(31,626)	(29,816)	(92,340)	(82,166)
<b>Total comprehensive loss for the period</b>	(60,786)	(116,400)	(180,462)	(225,935)
Basic loss per ordinary share (sen):	(4.5)	(13.1)	(13.4)	(21.8)
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 )**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT**  
**31 DECEMBER 2011**

	As at 31/12/2011	As at 31/12/2010
	(Unaudited)	(Audited)
	RM '000	RM '000
<b>ASSETS</b>		
Property, plant and equipment	622,800	504,990
Other long term investments	135	135
Goodwill on acquisition	13,004	18,811
Development costs	39,736	44,907
Intangible/Customr Modem assets	65,098	69,033
<b>Total non-current assets</b>	<b>740,773</b>	<b>637,876</b>
Inventories	36,669	21,779
Trade receivables	90,439	60,513
Other receivables, deposits and prepayments	53,141	60,959
Tax Refundable	-	162
Deposits with licensed banks	1,191	72,368
Cash and bank balances	76,398	98,452
<b>Total current assets</b>	<b>257,838</b>	<b>314,233</b>
<b>TOTAL ASSETS</b>	<b>998,611</b>	<b>952,109</b>
<b>EQUITY</b>		
Share capital	131,551	131,551
Reserves	38,596	123,420
<b>Total equity attributable to owners of the Company</b>	<b>170,147</b>	<b>254,971</b>
<b>Non-controlling interest</b>	<b>8,751</b>	<b>44,359</b>
<b>Total equity</b>	<b>178,898</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	221,301	158,707
Class C ICPS - Deferred tax components	40,290	40,290
Bank Borrowings	50,321	112,900
Hire purchase and finance lease liabilities	659	2,217
Other payables and accruals	72,050	46,112
Deferred tax liabilities	3,140	2,954
<b>Total non-current liabilities</b>	<b>437,761</b>	<b>413,180</b>
Trade payables	90,963	39,763
Other payables and accruals	197,729	133,240
Bank borrowings	92,314	60,806
Hire purchase and finance lease liabilities	946	5,790
<b>Total current liabilities</b>	<b>381,952</b>	<b>239,599</b>
<b>TOTAL LIABILITIES</b>	<b>819,713</b>	<b>652,779</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>998,611</b>	<b>952,109</b>
<b>Net asset per share attributable to ordinary equity holders of the company (sen)</b>	<b>27</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 )**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

(The figures have not been audited)

	<-----Attributable to owners of the Company ----->								
	Shares capital	Non-Distributable				Distributable	Sub-total	Non-controlling interests	Total Equity
		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	-	-	331	-	-	-	331	-	331
Total other comprehensive income for the period	-	-	331	-	-	-	331	-	331
Loss for the period	-	-	-	-	-	(88,453)	(88,453)	(92,340)	(180,793)
<b>Total comprehensive loss for the period</b>	-	-	331	-	-	(88,453)	(88,122)	(92,340)	(180,462)
Issuance of Irredeemable Convertible Preference Shares ("ICPS") - Class C	-	-	-	-	-	-	-	56,732	56,732
Share-based payment transaction under ESOS	-	-	-	-	3,298	-	3,298	-	3,298
<b>Total contribution from / distribution to owners</b>	-	-	-	-	3,298	-	3,298	56,732	60,030
At 31 December 2011	131,551	345,372	378	(11,389)	75,791	(371,556)	170,147	8,751	178,898

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

(The figures have not been audited)

	<-----Attributable to Equity Holders of the Parent ----->								
	Shares capital	Non-Distributable				Distributable	Sub-total	Non-controlling interests	Total Equity
		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	-	-	(372)	-	-	-	(372)	-	(372)
Total other comprehensive income for the period	-	-	(372)	-	-	-	(372)	-	(372)
Loss for the period	-	-	-	-	-	(143,397)	(143,397)	(82,166)	(225,563)
<b>Total comprehensive loss for the period</b>	-	-	(372)	-	-	(143,397)	(143,769)	(82,166)	(225,935)
Issuance of preference shares - ICPS	-	-	-	-	-	-	-	129,238	129,238
Share issue expenses	-	(428)	-	-	-	-	(428)	(8,020)	(8,448)
Share-based payment transaction under ESOS	-	-	-	-	3,289	-	3,289	-	3,289
Exercised ESOS	90	270	-	-	-	-	360	-	360
<b>Total contribution from / distribution to owners</b>	90	(158)	-	-	3,289	-	3,221	121,218	124,439
At 31 December 2010	131,551	345,372	47	(11,389)	72,493	(283,103)	254,971	44,359	299,330

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.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED**  
**31 DECEMBER 2011**

(The figures have not been audited)

	Financial year ended	
	31/12/2011	31/12/2010
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(180,793)	(225,871)
Adjustments for non cash items:-		
Amortisation of :		
- development cost	4,147	5,429
- intellectual property	2,742	2,280
- modem	55,021	28,838
- prepaid land lease payments	819	819
Depreciation of plant and equipment	63,895	50,400
Development cost written off	6,542	14,931
Impairment loss on :		
- trade receivables	-	6,039
- other receivables	-	1,304
- other investment	-	9,128
- goodwill	5,807	4,330
- investment in associates	-	878
Interest paid	33,613	16,020
Inventories written down	7,156	8,939
Share based payment under ESOS	3,298	3,289
Share of net (loss)/profit in associates	-	17,907
Other non-cash items	(460)	(13,829)
Operating loss before working capital changes	1,787	(69,169)
Changes in working capital		
Decrease/(Increase) in assets	(97,820)	(93,364)
(Decrease)/Increase in liabilities	204,221	(77,191)
Cash for operating activities	108,188	(239,724)
Interest paid	(33,613)	(16,020)
Tax paid	(17)	1,162
<b>Net cash for operating activities</b>	<b>74,558</b>	<b>(254,582)</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Development expenditure incurred	(5,518)	(3,729)
Interest received	663	510
Proceeds from disposal of plant and equipment	-	182
Purchase of plant and equipment	(182,524)	(81,039)
<b>Net cash for investing activities</b>	<b>(187,379)</b>	<b>(84,076)</b>
<b>CASH FLOW FOR FINANCING ACTIVITIES</b>		
Issuance of Convertible Preference Share to non-controlling interest	56,732	322,910
Proceeds from issuance of ordinary shares	-	360
Proceeds from private placement	-	68,504
Share issue expenses	-	(8,448)
Net drawdown/(repayment) of bank borrowings	(31,071)	(6,091)
Repayment to hire purchase/lease obligations	(6,402)	(8,425)
<b>Net cash for financing activities</b>	<b>19,259</b>	<b>368,810</b>

	<b>Financial year ended</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Net decrease in cash and cash equivalents	(93,562)	30,152
Foreign exchange translation differences	331	(6,487)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>170,820</b>	<b>147,155</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>77,589</b>	<b>170,820</b>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	76,398	98,452
Fixed deposit with licensed bank	1,191	72,368
	<b>77,589</b>	<b>170,820</b>

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 YEAR ENDED 31 DECEMBER 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 year 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 year ended 31 December 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.

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 year 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 year	-	-	-	-	10,500
Cancellation during the year	(609)	(1,117)	(1,041)	(1,544)	(1,461)
Exercise during the year	-	-	-	-	-
Outstanding as at 31 December 2011	<u>6,531</u>	<u>6,335</u>	<u>6,160</u>	<u>8,539</u>	<u>9,039</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 December 2011	Malaysia	Overseas	Group
	RM'000	RM'000	RM'000
<b>Revenue</b>			
Software and Devices	-	170,566	170,566
Broadband Services	292,866	-	292,866
Communication/Voice Services	10,013	66,195	76,208
	<u>302,879</u>	<u>236,761</u>	<u>539,640</u>
<b>Results</b>			
Software and Devices	-	8,964	8,964
Broadband Services	(158,577)	-	(158,577)
Communication/Voice Services	672	1,301	1,973
	<u>(157,905)</u>	<u>10,265</u>	<u>(147,640)</u>
Finance costs			(33,613)
Finance income			663
			<u>(180,590)</u>
Income tax expense			(203)
Loss after taxation			(180,793)
Non-controlling interest			92,340
Loss after taxation & Non-controlling interest			<u>(88,453)</u>

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

#### Other information

Segmental assets	-
Total assets	998,611
Segmental liabilities	-
Total liabilities	(819,713)
Capital expenditure	(182,524)
Depreciation	(63,895)
Amortisation	<u>(62,729)</u>



**Results for the financial year ended 31  
December 2010**

**Revenue**

Software and Devices  
Broadband Services and Solutions  
Communication/Voice Services

Malaysia RM'000	Overseas RM'000	Group RM'000
81,782	25,590	107,372
208,281	-	208,281
19,317	58,998	78,315
<u>309,380</u>	<u>84,588</u>	<u>393,968</u>

**Results**

Software and Devices  
Broadband Services and Solutions  
Communication/Voice Services

(22,085)	1,879	(20,206)
(174,129)	-	(174,129)
586	1,295	1,881
<u>(195,628)</u>	<u>3,174</u>	<u>(192,454)</u>

Finance costs  
Finance income

(16,020)  
510

Share of profit in associate  
Loss before taxation  
Taxation  
Loss after taxation  
Non-controlling interest  
Loss after taxation & Non-controlling interest

(207,964)  
(17,907)  
(225,871)  
308  
(225,563)  
82,166  
(143,397)

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

**Other information**

Segmental assets  
Total assets  
Segmental liabilities  
Total liabilities  
Capital expenditure  
Depreciation  
Amortisation

-  
952,109  
-  
(652,779)  
(81,039)  
(65,331)  
(37,366)

**A9 Valuation of property, plant and equipment**

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

**A10 Material subsequent events**

There were no material subsequent events that will affect the financial result of the financial period under review.

**A11 Changes in composition of the Group**

Tabulated below were changes in composition of the Group during the current financial year ended 31 December 2011:

a) On 16 May 2011, GPB has announced :

- i) 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;
- ii) 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:-

- i) 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
- ii) 153,276 Class C ICPS-i to SKT for a total cash consideration of approximately RM50.53 million.

(b) On 6 September 2011, the company has announced that P1 has issued the following:-

30,708 new Class A ICPS-i to GPB for a total cash consideration of approximately RM10.12 million or RM329.68 per Class A ICPS-i representing the shortfall in the investment amount by the Bondholder. As at to-date, GPB holds 1,927,620 Class A ICPS-i in P1;

(c) One Vois Global Co. Ltd was liquidated on 6 September 2011, a company which Green Packet Networks (Singapore) Pte Ltd ("GPNS") has 33% equity interest. GPNS is a wholly owned subsidiary of the Company.

- (d) On 9 September 2011, GPB has announced :
- i) Next Global Technology Sdn. Bhd. a wholly owned subsidiary of GPB had disposed its shareholding of 2 ordinary shares of RM1.00 each ("Sale Shares"), representing 100% of the total issued and paid up share capital in Onevois Sdn. Bhd., to Newflex Communications Sdn Bhd ("NCSB") for a total cash consideration of RM2,991.00. The total consideration was arrived at on a willing buyer-willing seller basis.
- (e) On 7 October 2011, GPB has announced :
- i) GMO Global Limited ("GMO Global"), an associated company of GPB, was dissolved on 30 September 2011. GMO Global was incorporated in British Virgin Islands. GPB held 27.9% equity interest in GMO with an issued and paid-up capital of 7,618,262 ordinary shares of USD1.00 each. The dissolution of GMO Global Limited does not have any financial and operation impact on GPB.

#### 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 2011 are as follows:

	RM'000
Authorised and contracted for:	
- Plant and equipment	232,993
- Inventory	29,042
	<u>262,035</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 year under review.

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

#### B1 Review of the performance of the Group

- (a) The Group recorded a revenue and loss after tax of approximately RM155.71 million and RM61.51 million respectively for the current financial quarter ended 31 December 2011 ("4Q11"). This represents a significant increase of 34% compared to the turnover of RM116.25 million recorded for the previous year corresponding financial quarter ended 31 December 2010 ("4Q10"). Consequently, the loss after tax decreased to RM 61.51 million in 4Q11 from a loss after tax of RM 116.25 million registered in 4Q10.

Revenue contribution comprises the following:-

	4Q11 RM million	4Q10 RM million	% Change
Software and Devices	40.71	44.62	-8.8%
Broadband Services	95.95	55.07	74.2%
Communication/Voice Services	19.05	16.56	15.0%
	<u>155.71</u>	<u>116.25</u>	<u>33.9%</u>

The 4Q11 loss after tax was lower than 4Q10 mainly attributed by significantly higher revenue from broadband services and lower impairment losses despite higher depreciation of plant and equipment in accordance with the planned rollout of the broadband infrastructure.

- (b) The Group recorded a revenue and loss after tax of approximately RM539.65 million and RM180.79 million respectively for the current financial year ended 31 December 2011 ("Year 2011"). This represents a significant increase of 37% compared to the turnover of RM393.97 million recorded for the previous year corresponding financial year ended 31 December 2010 ("Year 2010"). Consequently, the loss after tax decreased to RM 180.79 million in Year 2011 from a loss after tax of RM 225.56 million registered in Year 2010

	Year 2011 RM million	Year 2010 RM million	% Change
Software and Devices	170.57	107.37	58.9%
Broadband Services	292.87	208.28	40.6%
Communication/Voice Services	76.21	78.32	-2.7%
	<u>539.65</u>	<u>393.97</u>	<u>37.0%</u>

The Year 2011 loss after tax was lower than Year 2010 mainly attributed by significantly higher revenue from software and devices business and broadband services and lower impairment losses for the year.

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

The revenue for 4Q11 has increased from previous quarter mainly due to higher subscribers base for the broadband business and securing of new customers for the software and devices business. However, loss after tax increased mainly due to higher depreciation of plant and equipment in accordance with the planned rollout of the broadband infrastructure and higher subscribers acquisition costs in 4Q11.

	4Q11	3Q11	% Change
	RM million	RM million	
Revenue	155.71	134.41	15.8%
Loss before tax	(62.47)	(44.02)	-41.9%
Loss after tax	(61.51)	(44.32)	-38.8%

**B3 Business prospects**

The data and mobile industry is entering its next phase of intense competition as more players entered the telecommunication market. The Group had realigned its operating strategies to ensure sustainable growth of its broadband business segment. As for the software and devices business, the Middle East and South Asia market provides promising opportunities to gain a bigger global share moving forward. Accordingly the Board of Director expects improved results for the Group for the financial year ending 31 December 2012.

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

Not applicable as no forecast was published.

**B5 Income tax expense**

	Financial year ended 31 December 2011 RM'000
Current tax expense - Malaysian	203

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 year ended 31 December 2011.

**B7 Purchase or disposal of quoted securities**

There were no purchases or disposals of quoted securities during the current financial year ended 31 December 2011.

**B8 Corporate proposals**

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. This is the only proposal announced but not completed.

**B9 Group borrowings and debt securities**

As at 31 December 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")	19,821
- Guaranteed redeemable convertible exchangeable bonds	50,000
- Syndicated Murabaha Facility ("Murabaha Facility")	49,553
- Revolving Credits	4,500
- Amanah Trade Bills	22,779
- Murabahah Project Facility ("Project Facility")	36,000
- Irredeemable Convertible Preference Shares ("ICPS") - liability component	221,301
Secured:	
- Amanah Term Financing, which is denominated in Ringgit Malaysia.	9,982
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	1,605
	11,587
	415,541

Non-current portion:	
- Hire purchase and finance lease liabilities, repayment more than 1 year - later than one year not later than five years	659
- Borrowings:	
- repayable between one and two years	95,910
- repayable between two and five years	4,411
- repayable after five years	221,301
	322,281
Current portion:	
- Hire purchase and finance lease liabilities, repayment less than 1 year	946
- Borrowings, repayable within one year	92,314
	93,260
	415,541

#### B10 Financial Instruments

The Group entered into forward foreign exchange contracts where appropriate 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 23 February 2012.

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.

#### 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 quarter ended 31.12.2011 RM'000	Accumulated year ended 30.9.2011 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised	(567,098)	(503,533)
- Unrealised	3,468	2,181
Total share of accumulated losses from associates:		
- Realised	-	-
- Unrealised	-	-
Consolidation adjustments	192,074	159,679
Total Group accumulated losses	(371,556)	(341,673)

#### B14 Earnings per share

##### a) Basic EPS

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

	Quarter ended		Year ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Loss attributable to ordinary equity holders of the Company (RM'000)	(29,886)	(86,182)	(88,453)	(143,397)
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) *	(4.5)	(13.1)	(13.4)	(21.8)

b) **Diluted EPS**

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

**B15 Loss for the Period/Year**

	Quarter ended		Year ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
<b>Loss for the period/year is arrived at after charging:</b>				
Amortisation of :				
- development cost	1,717	1,816	4,147	5,429
- intellectual property	708	324	2,742	2,280
- modem	18,852	7,086	55,021	28,838
- prepaid land lease payments	205	205	819	819
Depreciation of plant and equipment	17,421	13,174	63,895	50,400
Development cost written off	6,542	14,931	6,542	14,931
Impairment loss on :	-	-	-	-
- trade receivables	-	6,039	-	6,039
- other receivables	-	1,304	-	1,304
- other investment	-	9,128	-	9,128
- goodwill	5,807	4,330	5,807	4,330
- investment in associates	-	878	-	878
Interest paid	18,205	12,982	33,613	16,020
Inventories written down	7,156	8,939	7,156	8,939
Share based payment under ESOS	898	845	3,298	3,289
Share of net (loss)/profit in associates	-	17,340	-	17,907
Other non-cash items	174	-	-	-
<b>and after crediting :</b>				
Other non-cash items	-	(13,742)	(461)	(13,829)

BY ORDER OF THE BOARD

Lim Ming Toong (MAICSA 7000281)  
 Tai Siew May (MAICSA 7015823)  
 Company Secretaries  
 Kuala Lumpur  
 23-Feb-12