

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014.

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		15 Months Cumulative	
	31/3/2014	31/3/2013*	31/3/2014	31/3/2013*
	RM '000 (Unaudited)	RM '000 (Unaudited)	RM '000 (Unaudited)	RM '000 (Unaudited)
Revenue	131,222	N/A	734,652	N/A
Operating expenses				
-Depreciation, Impairment & Amortisation	(26,288)	N/A	(148,681)	N/A
-Other operating costs	(126,239)	N/A	(682,346)	N/A
Other income	14,493	N/A	14,269	N/A
Loss from operations	(6,812)	-	(82,106)	-
Finance costs	(12,669)	N/A	(63,093)	N/A
Loss before tax	(19,481)	-	(145,199)	-
Income tax expense	1,975	N/A	1,245	N/A
Loss for the period	(17,506)	-	(143,954)	-
Foreign currency translation differences for foreign operations	(6)	N/A	812	N/A
Total other comprehensive expense for the period	(6)	-	812	-
Total comprehensive loss for the period	(17,512)	-	(143,142)	-
Loss attributable to:				
Owners of the Company	(1,386)	N/A	(67,712)	N/A
Non-controlling interests	(16,120)	N/A	(76,242)	N/A
Loss for the Period	(17,506)	-	(143,954)	-
Total comprehensive loss attributable to:				
Owners of the Company	(1,392)	N/A	(66,900)	N/A
Non-controlling interests	(16,120)	N/A	(76,242)	N/A
Total comprehensive loss for the period	(17,512)	-	(143,142)	-
Basic loss per ordinary share (sen):	(0.2)	N/A	(9.8)	N/A
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 2012.

*Note: No comparison is provided due to the change in financial year end to 30 June 2014.

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

	As at 31/3/2014 (Unaudited) RM '000	As at 31/12/2012 (Audited) RM '000
ASSETS		
Property, plant and equipment	583,484	705,323
Other long term investments	135	135
Goodwill on acquisition	12,658	13,004
Development costs	18,514	24,916
Intangible/Customer Modem assets	29,710	50,518
Total non-current assets	644,502	793,896
Inventories	38,624	46,049
Trade receivables	81,908	82,019
Other receivables, deposits and prepayments	72,106	64,717
Deposits with licensed banks	31,223	4,434
Cash and bank balances	42,494	51,769
Total current assets	266,355	248,988
TOTAL ASSETS	910,857	1,042,884
EQUITY		
Share capital	138,081	138,081
Reserves	(61,322)	1,715
Total equity attributable to owners of the Company	76,759	139,796
Non-controlling interests	16,944	74,814
Total equity	93,703	214,610
LIABILITIES		
Irredeemable Convertible Preference Shares -Class C & B ("Class C & B ICPS") - Liabilities components	169,384	169,309
Bank Borrowings	182,161	202,086
Hire purchase and finance lease liabilities	443	452
Other payables and accruals	75,110	52,506
Deferred tax liabilities	221	2,396
Total non-current liabilities	427,319	426,749
Trade payables	69,518	58,338
Other payables and accruals	295,616	284,964
Bank borrowings	22,222	57,842
Hire purchase and finance lease liabilities	2,479	381
Total current liabilities	389,835	401,525
TOTAL LIABILITIES	817,154	828,274
TOTAL EQUITY AND LIABILITIES	910,857	1,042,884
Net asset per share attributable to ordinary equity holders of the parent (sen)	11	20

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

(The figures have not been audited)

	<-----Attributable to owners of the Company ----->								
	Shares capital	Non-Distributable				Accumulated Losses	Sub-total	Non-controlling interests	Total Equity
		Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves				
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
At 1 January 2013									
- As previously stated	138,081	355,067	(1,161)	(11,389)	75,180	(415,982)	139,796	74,814	214,610
Foreign currency translation differences for foreign operations	-	-	812	-	-	-	812	-	812
Total other comprehensive income for the period	-	-	812	-	-	-	812	-	812
Loss for the period	-	-	-	-	-	(67,712)	(67,712)	(76,242)	(143,954)
Total comprehensive loss for the period	-	-	812	-	-	(67,712)	(66,900)	(76,242)	(143,142)
Share-based payment transaction under ESOS	-	-	-	-	3,863	-	3,863	-	3,863
Capital contribution from holder of ICPS B & ICPS C	-	-	-	-	-	-	-	18,372	18,372
Total contribution from / distribution to owners	-	-	-	-	3,863	-	3,863	18,372	22,235
At 31 March 2014	138,081	355,067	(349)	(11,389)	79,043	(483,694)	76,759	16,944	93,703

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

(The figures have not been audited)

	<-----Attributable to Equity Holders of the Parent ----->								
	Shares capital	Non-Distributable				Accumulated Losses	Sub-total	Non-controlling interests	Total Equity
		Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves				
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
At 1 January 2012 (As restated)	131,551	345,372	378	(11,389)	75,792	(353,868)	187,836	63,221	251,057
Foreign currency translation differences for foreign operations	-	-	(1,539)	-	-	-	(1,539)	-	(1,539)
Total other comprehensive income for the period	-	-	(1,539)	-	-	-	(1,539)	-	(1,539)
Loss for the period	-	-	-	-	-	(62,114)	(62,114)	(56,251)	(118,365)
Total comprehensive loss for the period	-	-	(1,539)	-	-	(62,114)	(63,653)	(56,251)	(119,904)
Issuance of ordinary shares	6,530	9,796	-	-	-	-	16,326	-	16,326
Issuance of preference share ("ICPS")-Class C & B	-	-	-	-	-	-	-	31,664	31,664
Capital contribution from holder of ICPS C	-	-	-	-	-	-	-	35,971	35,971
Disposal of subsidiary	-	-	-	-	-	-	-	209	209
Expenses incurred on issuance of -ordinary shares	-	(101)	-	-	-	-	(101)	-	(101)
Share Options granted under ESOS	-	-	-	-	(612)	-	(612)	-	(612)
Total contribution from / distribution to owners	6,530	9,695	-	-	(612)	-	15,613	67,844	83,457
At 31 December 2012	138,081	355,067	(1,161)	(11,389)	75,180	(415,982)	139,796	74,814	214,610

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	Financial period ended	
	31/3/2014	31/12/2012
	RM'000	RM'000
	(Unaudited)	(Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(145,199)	(118,012)
Adjustments for non cash items:-		
Amortisation of development cost	4,333	8,335
Amortisation of intellectual property	2,660	2,280
Amortisation of modem	29,873	26,897
Amortisation of prepaid land lease payments	205	819
Depreciation of plant and equipment	111,458	83,038
Development cost written off	-	9,770
Impairment of Goodwill	346	-
Share based payment under ESOS	3,863	(612)
Loss on disposal of subsidiary	-	(767)
Other non-cash items	62,723	45,942
Operating profit/(loss) before working capital changes	70,262	57,690
Changes in working capital		
Decrease/(Increase) in assets	147	(54,543)
(Decrease)/Increase in liabilities	44,436	21,622
Cash for operating activities	114,845	24,769
Finance costs	(63,093)	(36,667)
Tax paid	(930)	(384)
Net cash from operating activities	50,822	(12,282)
CASH FLOW FOR INVESTING ACTIVITIES		
Development expenditure incurred	2,069	(7,455)
Interest received	370	277
Proceeds from disposal of subsidiary	-	(29)
Proceeds from disposal of plant and equipment	-	153
Purchase of plant and equipment	(1,550)	(139,966)
Net cash for investing activities	889	(147,020)
CASH FLOW FOR FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	16,326
Share issue expenses	-	(101)
Net drawdown/(repayment) of bank borrowings	(37,098)	118,050
Repayment to hire purchase/lease obligations	2,089	(2,507)
Net cash for financing activities	(35,009)	131,768
Net increase/ (decrease) in cash and cash equivalents	16,702	(27,534)
Foreign exchange translation differences	812	(1,539)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	56,203	85,276
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	73,717	56,203
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	42,494	51,769
Fixed deposit with licensed bank	31,223	4,434
	73,717	56,203

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

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

A1 Basis of preparation

The Interim financial report has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of Chapter 9 Part K of the Main Listing Requirement of Bursa Malaysia Securities Berhad ("BMSB"). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012.

A2 Changes in accounting policies

The significant accounting policies and methods of computations adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2012 except for the new standards, amendments to published standards and interpretations that are mandatory for the Group's financial year beginning on or after 1 January 2013 as set out below:

- a) Amendment to MFRS 7 "Disclosures- Offsetting Financial Assets and Financial Liabilities" (effective from 1 January 2013)
- b) Amendment to MFRS 10, MFRS 11 and MFRS 12 "Transition Guidance" (effective from 1 January 2013)
- c) MFRS 13 "Fair Value Measurement" (effective from 1 January 2013)
- d) MFRS 119 (2011) "Revised Employee Benefits" (effective from 1 January 2013)
- e) MFRS 127 (2011) "Separate Financial Statements" (effective from 1 January 2013)
- f) MFRS 128 (2011) "Investments in Associates and Joint Ventures" (effective from 1 January 2013)
- g) IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine (effective from 1 January 2013)
- h) Annual Improvements to MFRSs 2009-2011 Cycle (effective from 1 January 2013)
- i) Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income" (effective from 1 July 2012)

A3 Auditors' report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

A4 Seasonal or cyclical of operations

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

A5 Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6 Material changes in estimates

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

A7 Changes in debts or equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the period ended 31 March 2014, except the following:

On 13 May 2013, the Company had granted 8.0 million new share options under the Employees' Share Option Scheme at the option price of RM0.30 per new ordinary share to eligible employees of the Company and its subsidiaries and eligible directors of the Company. The said Scheme is expiring on 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	RM 1.97	RM 0.80	RM 1.10	RM 0.60 each	RM 0.56	RM 0.30 each
	('000)	('000)	('000)	('000)	('000)	('000)	('000)
Balance as at 1 Jan 2013	6,138	5,265	5,405	6,993	7,393	8,428	-
Granted during the year	-	-	-	-	-	-	8,000
Cancellation during the year	(1,912)	(2,030)	(1,089)	(2,311)	(2,390)	(2,500)	(945)
Exercise during the year	-	-	-	-	-	-	-
Outstanding as at 31 March 2014	4,226	3,235	4,316	4,682	5,003	5,928	7,055

A8 Dividends Payment

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

A9 Segmental information

Segmental information is provided based on geographical segment by customers' location and no comparison is provided due to the change in financial year end to 30 June 2014, as follows:-

Results for the financial year (period ended 31 March 2014)

	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	(965)	143,362	142,397
Broadband Services	376,951	-	376,951
Communication Services	1,327	213,977	215,304
	<u>377,313</u>	<u>357,339</u>	<u>734,652</u>
Results			
Software and Devices	823	10,520	11,343
Broadband Services	(99,446)	-	(99,446)
Communication Services	(63)	5,690	5,627
	<u>(98,686)</u>	<u>16,210</u>	<u>(82,476)</u>
Finance costs			(63,093)
Finance income			370
			<u>(145,199)</u>
Income tax expense			1,245
Loss after taxation			<u>(143,954)</u>
Non-controlling interests			76,242
Loss after taxation & Non-controlling interests			<u>(67,712)</u>

A10 Valuation of property, plant and equipment

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

A11 Material events subsequent to the end of the quarter

Pursuant to the Investment Agreement dated 27 March 2014, the Company has submitted an application to the Securities Commission Malaysia on 20 May 2014 in respect of its Proposed Exchangeable Bonds Issuance of RM210.0 million. (Please refer to Note B6 (c) for details).

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31 March 2014.

A13 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, except for the following development:-

In July 2010, Green Packet Berhad ("GPB") had agreed with Intel Capital Corporation ("Intel") via a Put Option Agreement to acquire all of the Class B Irredeemable Convertible Preference Shares of RM0.10 each ("Class B ICPS") in the share capital of Packet One Networks (Malaysia) Sdn Bhd ("P1") held by Intel for a total cash consideration of RM60 million based on the terms and conditions mutually agreed by both parties ("Purchase Consideration").

In accordance with the terms and conditions of the RM50 million nominal value 4-year 4.5% Guaranteed Redeemable Convertible Exchangeable Bonds ("GCEB") entered into amongst parties namely GPB, P1 and Intel, Intel completed the exchange of its GCEB into 200,000 of Class B ICPS in P1 and thereafter exercised its right under the Put Option Agreement to put the Class B ICPS to GPB which payment was due on 26 November 2012. Green Packet Berhad has since written to Intel on 3 July 2013 and 5 August 2013 to propose a settlement structure.

Although the parties were still negotiating a settlement, Intel served a Writ of Summons on the Company on 27 September 2013. (Please refer to Note B8 for details of the Suit).

A14 Capital commitments

The capital expenditure not provided for in the financial statements as at 31 March 2014 are as follows:

Authorised and contracted for:	RM'000
- Plant and equipment	95,577
- Inventory	9,165
	<u>104,742</u>

A15 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) Total revenue, EBITDA and loss after tax of the Group of approximately RM131.22 million, RM19.48 million and RM17.51 million respectively for the current financial quarter ended at 31 March 2014 ("1Q14"). The Group registered 12.1% decline in revenue on quarter-on-quarter comparison between 1Q14 and 1Q13. This is attributable to the lower quantity of devices shipped for the Software and Devices business. One-off bulk sales in 1Q13 and lower subscribers of 517,000 registered in 1Q14, as compared to 541,000 subscribers in 1Q13 for the Broadband Services business. A 14.3% revenue decline for the Communication Services business in 1Q14 financial quarter also contributed to the Group's revenue reduction as compared to the same period last year.

However, EBITDA for 1Q14 increased to RM19.48 million from RM7.44million for the same financial quarter in 2013; which was mainly attributed to the gain from disposal of the building. A significant reduction in loss after tax for 1Q14 financial quarter from RM36.71 million in 1Q13 to RM17.51 million in 1Q14.

Revenue contribution comprises the following:-

	3 months period ended		% Change
	31/03/2014	31/03/2013	
	RM million	RM million	
Software and Devices	19.45	20.99	-7.3%
Broadband Services	71.38	81.21	-12.1%
Communication Services	40.39	47.14	-14.3%
	<u>131.22</u>	<u>149.34</u>	<u>-12.1%</u>

EBITDA comprises the following:-

	3 months period ended		% Change
	31/03/2014	31/03/2013	
	RM million	RM million	
Software and Devices	15.02	(1.41)	1166.2%
Broadband Services	2.92	8.08	-63.9%
Communication Services	1.53	0.77	98.2%
	<u>19.48</u>	<u>7.44</u>	<u>161.7%</u>

Profit/ (Loss) after comprises the following:-

	3 months period ended		% Change
	31/03/2014	31/03/2013	
	RM million	RM million	
Software and Devices	12.68	(3.97)	419.3%
Broadband Services	(31.52)	(33.35)	5.5%
Communication Services	1.34	0.62	115.8%
	<u>(17.51)</u>	<u>(36.71)</u>	<u>52.3%</u>

- b) No comparison is provided due to the change in financial year end to 30 June 2014.

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

Overall revenue for 1Q14 was lower as compared with the corresponding quarter in 2013 due to reduction in revenue contribution for the Broadband Services business and Communication Services business. The Software and Devices business maintained its consistent performance. The Group's bottom-line continues its reduction in losses.

	1Q14	4Q13	% Change
	RM million	RM million	
Revenue	131.22	161.51	-18.8%
Loss before tax	(19.48)	(25.68)	24.1%
Loss after tax	<u>(17.51)</u>	<u>(26.64)</u>	<u>34.3%</u>

B3 Business prospects

The Group's performance is expected to remain stable as the operating units continues maintaining sustainable results in the following manner:-

- The market landscape is expected to remain competitive for the Company's Broadband Services business. In order to improve its' ability to compete and grow its' network, the Company entered into an investment agreement for the entry of a new controlling shareholder. Pending completion of the Investment Agreement, the Company continues its efforts on subscriber retention.
- The global trend is towards LTE-enabled network systems. The Company's Software and Devices business is intensifying its' efforts in the sales & marketing of its' LTE ready solutions.
- The Communication Services business will be competitive with cost reduction and maintenance of route quality. The Company will continue its efforts to maintain business volume with existing customers and acquire new ones through more aggressive sales efforts in order to sustain revenue growth.

Accordingly, the Board is confident of the Group's ability to sustain on its' EBITDA performance for the financial year ending 30 June 2014.

B4 Variance of actual profit from forecast profit

Not applicable as no forecast was published.

B5 Income tax expense

	Financial period ended 31 March 2014 RM'000
Current tax expense - Malaysian	<u>(1,245)</u>

B6 Status of corporate proposals and utilisation of proceeds

- a) The status of Corporate Proposals announced but not completed:

On 3 September 2007, the Company 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 the Company's SONmetro solution for the rollout of internet broadband services.

- b) Utilisation of proceeds

On 28 January 2014, the Company has completed the disposal of its leasehold land together with a twelve and a half (12 ½) storey office building in accordance with the terms of the SPA announced on 31 May 2013 and 5 June 2013.

The details of the utilisation of the disposal consideration are as follows:-

	Proposed Utilisation	Actual Utilisation	Balance Unutilised	Intended timeframe for utilisation**
	RM'000	RM'000	RM'000	
-Working capital	27,620	14,153	13,467	within 12 months
-Repayment of bank borrowings *	20,000	19,232	768	within 12 months
-Development expenditure	1,000	-	1,000	within 12 months
-Estimated expenses	380	251	129	within 6 months
	<u>49,000</u>	<u>33,636</u>	<u>15,364</u>	

Note:-

* Any excess or shortfall will be adjusted from the proceeds allocated to working capital.

** From the date of completion of the above disposal.

- c) On 27 March 2014, Green Packet Berhad ("the Company") has entered into a conditional investment agreement ("Investment Agreement") with Mobikom Sdn Bhd ("Mobikom"), a wholly-owned subsidiary of Telekom Malaysia Berhad ("TMB"), SK Telecom Co. Ltd. ("SKT"), Packet One Sdn Bhd ("POSB"), a wholly-owned subsidiary of the Company, TMB and Packet One Networks (Malaysia) Sdn Bhd ("PON"), a 55%-owned subsidiary of POSB, for the subscription by Mobikom of new ordinary shares of RM1.00 each in PON ("PON Share(s)") ("Subscription Share(s)") for a total subscription consideration of RM350.0 million ("Subscription Consideration"). The subscription price per PON Share and the actual number of PON Shares to be subscribed by Mobikom will be determined in accordance with the terms of the Investment Agreement ("Mobikom Subscription"). The multiple proposals are as stated below:-

(I) Proposed dilution of Green Packet Berhad's ("GPB" or "Company") equity interest in Packet One Networks (Malaysia) Sdn Bhd ("PON"), a 55%-owned subsidiary of Packet One Sdn Bhd ("POSB"), which in turn is the Company's wholly-owned subsidiary, pursuant to the investment agreement dated 27 March 2014 and arising from the following:-

(a) Proposed subscription by Mobikom Sdn Bhd ("Mobikom"), a wholly-owned subsidiary of TMB of new ordinary shares of RM1.00 each in PON ("PON Shares") for a total subscription consideration of RM350.0 million; and

(b) Proposed internal restructuring of PON involving the following:-

(1) Conversion of PON's Class A Islamic Irredeemable Convertible Preference Shares of RM0.10 each ("ICPS"), Class B ICPS and Class C Islamic ICPS into new PON shares;

(2) Capitalisation of PON's capital reserve account for new PON shares to be credited as issued and fully paid-up to GPB and SKT; and

(3) Capitalisation of a portion of PON's share premium account for new PON shares to be credited as issued and fully paid-up to POSB and Mobikom;

(II) Proposed acquisition by POSB of an aggregate of 450,000 PON shares from the minority shareholders of PON, namely Dutamas Equity Sdn Bhd, Dutamas Regal Sdn Bhd, Akar Amanjaya Sdn Bhd and Megan Sinar Sdn Bhd, for a total cash consideration of RM30.0 million;

(III) Proposed issuance by the Company of up to RM210.0 million of nominal value of eight (8)-year Redeemable Exchangeable Bonds to TMB in tranches; and

(IV) Proposed subscription by POSB and/or its affiliates of up to RM247.5 million of nominal value of eight (8)-year Convertible Unsecured Bonds to be issued by PON in tranches, after the completion of the proposed dilution.

(To be collectively referred to as the "Proposals")

Upon completion of the proposals, the equity interest of GPB, via POSB, in PON will be diluted from 55.0% to 30.0%.

B7 Group borrowings and debt securities

As at 31 March 2014, total borrowings of the Group are as follows:

	RM '000
<u>Total borrowings:</u>	
Unsecured:	
- Revolving Credits	250
- Amanah Trade Bills	2,571
- Murabahah Project Facility ("Project Facility")	(2,159)
- Irredeemable Convertible Preference Shares ("ICPS") - liability component	169,384
Secured:	
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	2,923
- Murabahah Project Facility ("Project Facility")	47,659
- Syndicated Facility	156,061
	206,643
	<u>376,689</u>
	RM '000
Non-current portion:	
- Hire purchase and finance lease liabilities, repayment more than 1 year	
- later than one year not later than five years	443
- Borrowings:	
- repayable between one and two years	120,961
- repayable between two and five years	61,200
- repayable after five years	169,384
	<u>351,988</u>
	RM '000
Current portion:	
- Hire purchase and finance lease liabilities, repayment within one year	2,480
- Borrowings, repayable within one year	22,221
	24,701
	<u>376,689</u>

B8 Material litigations

Save as below there were no other material litigations or pending material litigations involving the Group as at the date of this announcement:

Reference is made to the 4QFY13 financial results whereby on 1 April 2014, the Court delivered its judgement and ordered the Company to pay Intel Capital Corporation, the option exercise price of RM60.0 million together with the interest of 1.5% per month compounded monthly from 28 November 2012 until the date of full settlement less RM3,291,500.00 which was paid on 21 August 2013, (90) days from the date of the Court's decision. Upon receipt of the full amount, 200,000 Class B ICPS are to be transferred to the Company. A Notice of Appeal was filed by the Company on 22 April 2014, to appeal the entire High Court's decision on 1 April 2014 and the Court of Appeal has fixed for case management on 5 June 2014.

B9 Dividends

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

B10 Realized and unrealized losses disclosure

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

	As at 31.3.2014 RM'000	As at 31.3.2013 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised accumulated losses	(822,536)	(721,700)
- Unrealised retained profits	2,810	2,546
Consolidation adjustments	336,032	283,367
Total Group accumulated losses	<u>(483,694)</u>	<u>(435,787)</u>

B11 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		15 months period ended	
	31/3/2014	31/3/2013	31/3/2014	31/3/2013*
Loss attributable to ordinary equity holders of the Company (RM'000)	(1,386)	(19,805)	(67,712)	N/A
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000)	690,406	690,406	690,406	N/A
Basic loss per share (sen)	(0.2)	(2.9)	(9.8)	N/A

*Note: No comparison is provided due to the change in financial year end to 30 June 2014.

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.

B12 Loss for the Period

	15 months period ended	
	31/3/2014	31/3/2013*
	RM'000	RM'000
Loss for the period/year is arrived at after charging:		
Amortisation of :		
- development cost	4,333	N/A
- intellectual property	2,660	N/A
- modem	29,873	N/A
- prepaid land lease payments	205	N/A
Depreciation of plant and equipment	111,458	N/A
Interest paid	63,093	N/A
Share based payment under ESOS	3,863	N/A
Foreign exchange loss	400	N/A
and after crediting :		
Other non-cash items	(370)	N/A
Foreign exchange gain	-	N/A

*Note: No comparison is provided due to the change in financial year end to 30 June 2014.

B13 Change of financial year end

On 25 November 2013, the Board approved the change of the financial year end from 31 December to 30 June. The current financial statements commences for a period of 18 months, from 1 January 2013 to 30 June 2014.

B14 Comparative Figure

There were no comparative figures for this quarter ended 31 March 2014 and the financial period to date, in view of the Company's change of financial year end, we enclose the quarterly financial results for the period ended 31 March 2013 marked as appendix A for your reference.

B15 Authorisation for issue

The interim financial statements were authorised on 21 May 2014 for issue by the Board of Directors.