

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		3 Months Cumulative	
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
	RM '000 (Unaudited)	RM '000 (Unaudited)	RM '000 (Unaudited)	RM '000 (Unaudited)
Revenue	89,170	N/A	89,170	N/A
Operating expenses				
-Depreciation, Impairment & Amortisation	(2,293)	N/A	(2,293)	N/A
-Other operating costs	(83,401)	N/A	(83,401)	N/A
Other income	152,700	N/A	152,700	N/A
Profit from operations	156,176	-	156,176	-
Finance costs	(4,110)	N/A	(4,110)	N/A
<b>Profit before tax</b>	152,066	-	152,066	-
Income tax expense	(1,958)	N/A	(1,958)	N/A
<b>Profit from continuing operation</b>	150,108	-	150,108	-
<b>Discontinued operations</b>				
Loss after taxation from discontinued operations				
-Discontinued operation	(51,947)	N/A	(51,947)	N/A
<b>Profit for the period</b>	98,161	-	98,161	-
Foreign currency translation differences for foreign operations	237	N/A	237	N/A
<b>Total other comprehensive expense for the period</b>	237	-	237	-
<b>Total comprehensive Profit for the period</b>	98,398	-	98,398	-
Profit/ (Loss) attributable to:				
Owners of the Company	121,623	N/A	121,623	N/A
Non-controlling interests	(23,462)	N/A	(23,462)	N/A
<b>Profit for the Period</b>	98,161	-	98,161	-
Total comprehensive Profit/ (loss) attributable to:				
Owners of the Company	121,860	N/A	121,860	N/A
Non-controlling interests	(23,462)	N/A	(23,462)	N/A
<b>Total comprehensive Profit for the period</b>	98,398	-	98,398	-
Basic earnings per ordinary share (sen):	17.6	N/A	17.6	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2014.

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014**

	<b>As at 30/9/2014 (Unaudited) RM '000</b>	<b>As at 30/6/2014 (Audited) RM '000</b>
<b>ASSETS</b>		
Investment in associates	197,193	-
Property, plant and equipment	3,516	3,715
Other long term investments	135	135
Goodwill on acquisition	5,799	5,799
Development costs	13,971	14,219
Intangible - Intellectual property	3,560	3,894
<b>Total non-current assets</b>	<b>224,174</b>	<b>27,762</b>
Inventories	10,127	3,211
Trade receivables	71,142	52,688
Other receivables, deposits and prepayments	31,232	23,204
Deposits with licensed banks	13,737	3,681
Cash and bank balances	28,218	36,093
Amount owing by Associate	23,216	-
Assets of disposal group classified as held for sale	-	760,700
<b>Total current assets</b>	<b>177,673</b>	<b>879,577</b>
<b>TOTAL ASSETS</b>	<b>401,847</b>	<b>907,339</b>
<b>EQUITY</b>		
Share capital	138,089	138,082
Reserves	37,951	(115,324)
<b>Total equity attributable to owners of the Company</b>	<b>176,040</b>	<b>22,758</b>
<b>Non-controlling interests</b>	<b>(813)</b>	<b>(1,269)</b>
<b>Total equity</b>	<b>175,227</b>	<b>21,489</b>
<b>LIABILITIES</b>		
Bank Borrowings	119,327	-
Hire purchase and finance lease liabilities	98	113
Deferred tax liabilities	2,560	2,595
<b>Total non-current liabilities</b>	<b>121,985</b>	<b>2,708</b>
Trade payables	55,611	22,050
Other payables and accruals	37,515	46,817
Bank borrowings	-	654
Hire purchase and finance lease liabilities	52	51
Amount owing to Associate	2,715	-
Provisions	8,741	20,458
Liabilities of disposal group classified as held for sale	-	793,112
<b>Total current liabilities</b>	<b>104,634</b>	<b>883,142</b>
<b>TOTAL LIABILITIES</b>	<b>226,619</b>	<b>885,850</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>401,846</b>	<b>907,339</b>
<b>Net asset per share attributable to ordinary equity holders of the parent (sen)</b>	<b>25</b>	<b>3</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2014.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

	<-----Attributable to owners of the Company ----->							Non-controlling interests	Total Equity
	Shares capital	Non-Distributable				Accumulated Losses	Sub-total		
		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 July 2014	138,082	355,067	(160)	(11,389)	75,549	(534,391)	22,758	(1,269)	21,489
Foreign currency translation differences for foreign operations	-	-	237	-	-	-	237	-	237
Total other comprehensive income for the period	-	-	237	-	-	-	237	-	237
Profit for the period	-	-	-	-	-	121,623	121,623	(23,462)	98,161
<b>Total comprehensive profit for the period</b>	-	-	237	-	-	121,623	121,860	(23,462)	98,398
Issuance of ordinary shares	7	4	-	-	-	-	11	-	11
Share-based payment transaction under ESOS	-	-	-	-	607	-	607	-	607
Transfer of non-controlling interest to the Group	-	-	-	-	-	30,804	30,804	(98,450)	(67,646)
Disposal of subsidiary	-	-	-	-	-	-	-	122,368	122,368
Crystallisation of warrant reserves	-	57,711	-	-	(57,711)	-	-	-	-
<b>Total contribution from / distribution to owners</b>	7	57,715	-	-	(57,104)	30,804	31,422	23,918	55,340
At 30 September 2014	138,089	412,782	77	(11,389)	18,445	(381,964)	176,040	(813)	175,227

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2014.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 2013	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	-	-	1,001	-	-	-	1,001	-	1,001
Total other comprehensive income for the period	-	-	1,001	-	-	-	1,001	-	1,001
Loss for the period	-	-	-	-	-	(118,409)	(118,409)	(106,461)	(224,870)
<b>Total comprehensive loss for the period</b>	-	-	1,001	-	-	(118,409)	(117,408)	(106,461)	(223,869)
Issuance of ordinary shares	1	*	-	-	-	-	1	-	1
Issuance of preference shares by a subsidiary	-	-	-	-	-	-	-	47	47
Capital contribution from holder of ICPS C	-	-	-	-	-	-	-	30,331	30,331
Share Options granted under ESOS	-	-	-	-	369	-	369	-	369
Transfer of share premium for ESOS	-	*	-	-	(*)	-	-	-	-
<b>Total contribution from / distribution to owners</b>	1	-	-	-	369	-	370	30,378	30,748
At 30 June 2014	138,082	355,067	(160)	(11,389)	75,549	(534,391)	22,758	(1,269)	21,489

\* Represented amount less than RM1,000

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2014.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

	Financial period ended	
	30/9/2014	30/6/2014
	RM'000	RM'000
	(Unaudited)	(Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Gain/ (Loss) before taxation		
-continuing operations	152,066	2,255
-discontinued operations	(51,947)	(204,238)
Adjustments for non cash items:-		
Amortisation of development cost	1,886	7,289
Amortisation of intellectual property	334	2,771
Amortisation of modem	2,550	33,496
Bad debts written off	-	152
Depreciation of plant and equipment	22,074	135,342
Development cost written off	-	6,648
Impairment of Goodwill	-	346
Share based payment under ESOS	607	369
Gain on dilution of subsidiaries	(152,685)	-
Other non-cash items	24,051	93,641
Operating profit/(loss) before working capital changes	(1,063)	78,071
Changes in working capital		
Decrease/(Increase) in assets	(37,382)	(51,635)
(Decrease)/Increase in liabilities	(24,191)	97,219
Cash for operating activities	(62,636)	123,655
Finance costs	(24,268)	(83,390)
Tax paid	(13,711)	(2,230)
<b>Net cash from operating activities</b>	<b>(100,614)</b>	<b>38,035</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Development expenditure incurred	(1,638)	(6,496)
Interest received	218	2,778
Net cash out flow from dilution of subsidiaries	(14,745)	-
Proceeds from disposal of plant and equipment	-	50,696
Purchase of plant and equipment	(4,191)	(25,296)
Fixed deposit pledged with licensed bank	-	(8,776)
<b>Net cash for investing activities</b>	<b>(20,356)</b>	<b>12,906</b>
<b>CASH FLOW FOR FINANCING ACTIVITIES</b>		
Issuance of Preference Share to non-controlling interest by subsidiary	-	47
Proceeds from issuance of ordinary shares	11	1
Proceeds from issuance of preference shares by subsidiary	-	-
Net drawdown/(repayment) of bank borrowings	118,673	(63,960)
Repayment to hire purchase/lease obligations	(14)	513
<b>Net cash for financing activities</b>	<b>118,670</b>	<b>(63,399)</b>
Net increase/ (decrease) in cash and cash equivalents	(2,537)	(12,458)
Foreign exchange translation differences	237	1,735
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	44,256	54,979
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	41,956	44,256
Cash and cash equivalents at the end of the financial period comprise the following:		
<b><u>Continuing Operations</u></b>		
Cash and bank balances	28,218	36,093
Fixed deposit with licensed bank	13,737	3,681
<b><u>Discontinued Operation</u></b>		
Cash and bank balances	-	4,482.00
	41,956	44,256

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 period ended 30 June 2014.

**A2 Changes in accounting policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial period ended 30 June 2014 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 July 2014 as set out below:

- a) Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities (effective from 1 January 2014)
- b) Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions (effective from 1 July 2014)
- c) Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)
- d) Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets (effective from 1 January 2014)
- e) Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting (effective from 1 January 2014)
- f) IC Interpretation 21 Levies (effective from 1 January 2014)
- g) Annual Improvements to MFRSs 2010 – 2012 Cycle (effective from 1 July 2014)
- h) Annual Improvements to MFRSs 2011 – 2013 Cycle (effective from 1 July 2014)

**A3 Auditors' report on preceding annual financial statements**

The auditor's report on the financial statements for the financial period ended 30 June 2014 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 30 September 2014, except the following:

The movement of the Employees' Share Option Scheme ("the Scheme") 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 ( '000)	RM 1.97 ( '000)	RM 0.80 ( '000)	RM 1.10 ( '000)	RM 0.60 ( '000)	RM 0.56 ( '000)	RM 0.30 each ( '000)
Balance as at 1 July 2014	4,178	3,103	4,008	4,536	4,865	5,817	6,946
Granted during the year	-	-	-	-	-	-	-
Cancellation during the year	-	(81)	(45)	(115)	(88)	(130)	(107)
Exercise during the year	-	-	-	-	-	-	(27)
Outstanding as at 30 September 2014	4,178	3,022	3,963	4,421	4,777	5,687	6,812

The said Scheme is expiring on 8 August 2016.

**A8 Dividends Payment**

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

**A9 Loss after taxation from discontinued operations**

The Group has disposed off its Broadband Services business which was completed in September 2014.

An analysis of the results of the discontinued operations is as follows:-

	The Group 1Q15 RM'000
Revenue	61,617
Cost of Goods Sold	(15,295)
Gross Profit	46,321
Other Income	235
	46,556
Operating Expenses	(78,344)
Finance cost	(20,158)
Loss before taxation	(51,947)
Income tax expense	-
Loss after taxation from discontinued operations	(51,947)

**A10 Segmental information**

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

**Results for the financial year (period ended 30 September 2014)**

	Malaysia RM'000	Overseas RM'000	Group RM'000
<b>Revenue</b>			
Software and Devices	-	39,414	39,414
Broadband Services	61,617	-	61,617
Communication Services	188	49,568	49,756
	<u>61,805</u>	<u>88,982</u>	<u>150,787</u>
<b>Results</b>			
Software and Devices	-	1,021	1,021
Broadband Services	(31,918)	-	(31,918)
Communication Services	4	2,377	2,381
	<u>(31,914)</u>	<u>3,398</u>	<u>(28,516)</u>
Finance costs			(24,268)
Finance income			218
			<u>(52,566)</u>
Dilution of interest in subsidiary			152,685 *
Income tax expense			(1,958)
Profit after taxation			98,161
Non-controlling interests			23,462
Profit after taxation & Non-controlling interests			<u>121,623</u>

\*Note: includes a one-time gain on dilution of subsidiary interest from 55.0% to 31.1% contributed RM152.68 million to the results.

**A11 Valuation of property, plant and equipment**

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

**A12 Material events subsequent to the end of the quarter**

There were no material events subsequent to the end of the quarter.

### A13 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 30 September 2014.

### A14 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.

### A15 Capital commitments

There is no capital expenditure contracted or provided for in the financial statements as at 30 September 2014.

### A16 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 profit after tax of the Group stands at approximately RM150.79 million, (RM1.45 million) and RM98.16 million respectively for the current financial quarter ended at 30 September 2014 ("1Q15"). This represents an increase of 6.5% compared to the revenue of RM141.65 million recorded for the previous year corresponding financial period ended 30 September 2013 ("1Q14"). The Software and Devices business registered improved revenue performance with higher device shipments in 1Q15 compared with 1Q14. The Broadband Services business recorded lower subscribers of 467,380 registered in 1Q15 against 553,000 subscribers in 1Q14. The Communication Services business recorded higher revenue as compared to 1Q14.

However, EBITDA for 1Q15 decreased to (RM1.45 million) from RM11.99 million compared with 1Q14. This is attributable to the lower subscribers from the Broadband Services business in 1Q15 compared with 1Q14. Profit after tax registered at RM98.16 million in 1Q15 against loss after tax of RM29.70 million registered in 1Q14 mainly due to a one-time gain on dilution of interest in a subsidiary.

Revenue contribution comprises the following:-

	3 months period ended		% Change
	30/9/2014	30/9/2013	
	RM million	RM million	
Software and Devices	39.41	26.23	50.3%
Broadband Services	61.62	75.54	-18.4%
Communication Services	49.76	39.88	24.8%
	150.79	141.65	6.5%

EBITDA comprises the following:-

	3 months period ended		% Change
	30/9/2014	30/9/2013	
	RM million	RM million	
Software and Devices	3.17	1.71	-85.3%
Broadband Services	(7.24)	8.78	-182.4%
Communication Services	2.62	1.50	74.4%
	(1.45)	11.99	-112.1%

Profit/ (Loss) after comprises the following:-

	3 months period ended		% Change
	30/9/2014	30/9/2013	
	RM million	RM million	
Software and Devices	(4.54)	(1.43)	-217.6%
Broadband Services	(51.95)	(29.57)	-75.7%
Communication Services	1.97	1.30	51.2%
Investment in subsidiaries	152.68 *	-	N/A
	98.16	(29.70)	430.5%

\*Note: includes a one-time gain from the dilution of interest in a subsidiary contributed RM152.68 million to the results.



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

Overall revenue for current year quarter was higher as compared to immediate preceding quarter mainly due to better performance from the Software and Devices business and the Communication Services business. The Broadband Services business registered a slight downtrend due to lower subscriber numbers. A one-time gain from dilution of interest in a subsidiary and had improved significantly the bottom line for the reporting quarter.

	Current Year Quarter 30/9/2014 RM million	Immediate Preceding Quarter 30/6/2014 RM million	% Change
Revenue	150.79	139.58	8.0%
Profit/ (Loss) before tax	100.12	(54.49)	283.7%
Profit/ (Loss) after tax	98.16	(80.54)	221.9%

## B3 Business prospects

Upon completion of the corporate exercise to reduce the Company's interest in the broadband service business to a non subsidiary status, the Company will reposition and reshape its moving forward strategy with focus on :-

- The Software and Devices business pillar is to expand the sales of its LTE ready solutions, which has already gained market acceptance, to new markets. The revenue contribution from the LTE ready solutions represents 36% of revenue for the quarter under review.
- The Communication business pillar is to continue to focus its efforts in improving margins and maintaining routes quality in order to retain existing customers and to acquire new ones.

Accordingly, the Board is confident of the Group's ability to sustain on its' financial performance for the above two business pillars.

## B4 Variance of actual profit from forecast profit

Not applicable as no forecast was published.

## B5 Income tax expense

	Financial period ended 30 September 2014 RM'000
Current tax expense	1,958

## 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.

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	28,281	(661)	within 12 months
-Repayment of bank borrowings *	20,000	19,437	563	within 12 months
-Development expenditure	1,000	1,000	-	within 12 months
-Estimated expenses	380	282	98	within 6 months
	49,000	49,000	-	

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 (Proposed Acquisition);

(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")

The Proposed Dilution and Proposed Acquisition have been completed on 30 September 2014 in accordance with the terms and conditions of the Investment Agreement and the SPA respectively. The shareholding of GPB Group, SKT and TM Group in PON is 31.1%, 13.6% and 55.3% respectively.

As of 30 September 2014, the Company has issued the tranche A of the Exchangeable Medium Term Notes issuance comprising RM119,327,377.19 of nominal value of the Exchangeable Medium Term Notes to Mobikom. The proceeds raised were utilised in the following manner:-

	RM '000
- Settlement of the judgment obtained by Intel Capital Corporation under Kuala Lumpur High Court suit 22NCC-506-07/2013	79,327
-Settlement of the proposed acquisition by POSB of an aggregate of 450,000 PON shares from the minority shareholders of PON	30,000
-Working capital and general corporate purposes	10,000
	<u>119,327</u>

## B7 Group borrowings and debt securities

As at 30 September 2014, total borrowings of the Group are as follows:

	RM '000
<u>Total borrowings:</u>	
Unsecured:	
- Exchangeable Medium Term Notes	119,327
Secured:	
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	150
	<u>119,477</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	98
- Borrowings:	
- repayable after five years	119,327
Current portion:	
- Hire purchase and finance lease liabilities, repayment within one year	52
	<u>119,477</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 announcements dated 4 March 2014, 7 March 2014, 1 April 2014, 24 April 2014, 6 August 2014 and 30 September 2014. The Board of Directors of the Company wishes to announce that the judgment obtained by Intel Capital Corporation under Kuala Lumpur High Court suit 22NCC-506-07/2013 has been satisfied in full on 30 September 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 30.9.2014 RM'000	As at 30.9.2013 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised accumulated losses	(453,492)	(770,092)
- Unrealised retained profits	3,020	2,753
Consolidation adjustments	68,508	297,322
Total Group accumulated losses	<u>(381,964)</u>	<u>(470,017)</u>

## B11 Earnings per share

### a) Basic EPS

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

	3 months period ended 30.9.2014	30.9.2013
Profit/ (Loss) attributable to ordinary equity holders of the Company (RM'000)	121,624	(14,417)
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000)	690,409	690,406
Basic earning/ (loss) per share (sen)	<u>17.6</u>	<u>(2.1)</u>

### b) Diluted EPS

The diluted earning/(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 Profit/ (Loss) for the Period**

	3 months period ended	
	30.9.2014	30.9.2013*
	RM'000	RM'000
<b>Profit/ (Loss) for the period/year is arrived at after charging :</b>		
<u>Continuing operations:</u>		
Amortisation of :		
- development cost	1,767	N/A
- intellectual property	334	N/A
Depreciation of plant and equipment	193	N/A
Finance costs	4,110	N/A
Share based payment under ESOS	607	N/A
Foreign exchange loss	1,210	N/A
<b>and after crediting :</b>		
Other non-cash items	(218)	N/A
Gain on dilution of subsidiaries	(152,685)	N/A
<u>Discontinued operation:</u>		
Amortisation of :		
- development cost	119	N/A
- modem	2,550	N/A
Depreciation of plant and equipment	21,881	N/A
Finance Costs	20,158	N/A

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

**B13 Comparative Figure**

There were no comparative figures for this quarter ended 30 September 2014 following the Company's change of financial year end from 31 December to 30 June. The change of financial year end took effect from 1 January 2013 to 30 June 2014. Enclosed herewith the quarterly financial results for the period ended 30 September 2013 marked as "Appendix A" for your reference.

**B14 Authorisation for issue**

The interim financial statements were authorised on 20 November 2014 for issue by the Board of Directors.