

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015.**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		18 Months Cumulative	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM '000	RM '000	RM '000	RM '000
Revenue	99,862	N/A	517,719	N/A
Operating expenses				
-Depreciation, impairment & amortisation	(2,224)	N/A	(12,409)	N/A
-Other operating costs	(100,996)	N/A	(504,837)	N/A
Other income	351	N/A	153,326	N/A
<b>(Loss)/ Profit from operations</b>	<b>(3,007)</b>	<b>N/A</b>	<b>153,799</b>	<b>N/A</b>
Share of net loss of associate	(31,664)	N/A	(115,740)	N/A
Finance costs	(3,612)	N/A	(17,914)	N/A
<b>(Loss)/ Profit before tax</b>	<b>(38,283)</b>	<b>N/A</b>	<b>20,145</b>	<b>N/A</b>
Income tax expense	9,545	N/A	5,619	N/A
<b>(Loss)/ Profit from continuing operations</b>	<b>(28,738)</b>	<b>N/A</b>	<b>25,764</b>	<b>N/A</b>
<b>Discontinued operation</b>				
Loss after taxation from				
-Discontinued operation	-	N/A	(52,116)	N/A
<b>(Loss) for the period</b>	<b>(28,738)</b>	<b>N/A</b>	<b>(26,352)</b>	<b>N/A</b>
Foreign currency translation differences for foreign operations	4,611	N/A	4,210	N/A
<b>Total other comprehensive expense for the period</b>	<b>4,611</b>	<b>N/A</b>	<b>4,210</b>	<b>N/A</b>
<b>Total comprehensive (Loss) for the period</b>	<b>(24,127)</b>	<b>N/A</b>	<b>(22,142)</b>	<b>N/A</b>
(Loss) attributable to:				
Owners of the Company	(28,732)	N/A	(2,966)	N/A
Non-controlling interests	(6)	N/A	(23,386)	N/A
<b>(Loss) for the Period</b>	<b>(28,738)</b>	<b>N/A</b>	<b>(26,352)</b>	<b>N/A</b>
Total comprehensive (Loss)/ Profit attributable to:				
Owners of the Company	(24,121)	N/A	1,244	N/A
Non-controlling interests	(6)	N/A	(23,386)	N/A
<b>Total comprehensive (Loss) for the period</b>	<b>(24,127)</b>	<b>N/A</b>	<b>(22,142)</b>	<b>-</b>
Basic (loss)/ earning per ordinary share (sen):	(4.2)	N/A	(0.4)	N/A

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

\*Note: No comparison is provided due to the change in financial year end to 31 December 2015. The rationale for the aforesaid change of financial year is to facilitate the Group's annual financial audit by virtue of its significant stake in Packet One Networks (Malaysia) Sdn Bhd with its financial year ending 31 December.



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015**

	<b>As at 31/12/2015 (Unaudited) RM '000</b>	<b>As at 30/6/2014 (Audited) RM '000</b>
<b>ASSETS</b>		
Investment in associate	80,232	-
Property, plant and equipment	3,583	3,715
Other long term investments	37,592	135
Goodwill on acquisition	5,799	5,799
Development costs	11,855	14,219
Intangible - Intellectual property	1,891	3,894
<b>Total non-current assets</b>	<b>140,952</b>	<b>27,762</b>
Inventories	13,734	3,211
Trade receivables	75,314	52,688
Other receivables, deposits and prepayments	27,989	23,204
Deposits with licensed banks	12,606	3,681
Cash and bank balances	59,070	36,093
Amount owing by associate	25,464	-
Assets of disposal group classified as held for sale	-	760,700
<b>Total current assets</b>	<b>214,177</b>	<b>879,577</b>
<b>TOTAL ASSETS</b>	<b>355,129</b>	<b>907,339</b>
<b>EQUITY</b>		
Share capital	138,089	138,082
Reserves	(72,686)	(115,324)
<b>Total equity attributable to owners of the Company</b>	<b>65,403</b>	<b>22,758</b>
<b>Non-controlling interests</b>	<b>(972)</b>	<b>(1,269)</b>
<b>Total equity</b>	<b>64,431</b>	<b>21,489</b>
<b>LIABILITIES</b>		
Long term borrowings	200,316	-
Hire purchase and finance lease liabilities	70	113
Deferred tax liabilities	1,709	2,595
<b>Total non-current liabilities</b>	<b>202,095</b>	<b>2,708</b>
Trade payables	35,860	22,050
Other payables and accruals	48,977	46,817
Short term borrowings	-	654
Hire purchase and finance lease liabilities	-	51
Amount owing to associate	2,197	-
Provisions	1,569	20,458
Liabilities of disposal group classified as held for sale	-	793,112
<b>Total current liabilities</b>	<b>88,603</b>	<b>883,142</b>
<b>TOTAL LIABILITIES</b>	<b>290,698</b>	<b>885,850</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>355,129</b>	<b>907,339</b>
<b>Net asset per share attributable to ordinary equity holders of the parent (sen)</b>	<b>9</b>	<b>3</b>

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

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

(The figures have not been audited)

	-----Attributable to owners of the Company -----								
	Non-Distributable						Sub-total	Non-controlling interests	Total Equity
	Shares capital	Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Accumulated Losses			
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
- As previously stated									
- As restated	138,082	355,067	(160)	(11,389)	75,549	(534,391)	22,758	(1,269)	21,489
Foreign currency translation differences for foreign operations	-	-	5,784	-	-	-	5,784	-	5,784
Total other comprehensive income for the period	-	-	5,784	-	-	-	5,784	-	5,784
Profit/(Loss) for the period	-	-	-	-	-	1,244	1,244	(23,386)	(22,142)
<b>Total comprehensive profit for the period</b>	-	-	5,784	-	-	1,244	7,028	(23,386)	(16,358)
Issuance of ordinary shares	7	4	-	-	-	-	11	-	11
Share-based payment transaction under ESOS	-	-	-	-	795	-	795	-	795
Transfer of non-controlling interest to the Group	-	-	-	-	-	34,811	34,811	(98,685)	(63,874)
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	-	-	(56,916)	34,811	35,617	23,683	59,300
At 31 December 2015	138,089	412,782	5,624	(11,389)	18,633	(498,336)	65,403	(972)	64,431

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

	<-----Attributable to Equity Holders of the Parent ----->								
	Non-Distributable						Sub-total	Non-controlling interests	Total Equity
	Shares capital	Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Other Reserves	Accumulated Losses			
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000			
<b>Audited</b>									
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 period ended 30 June 2014.

**GREEN PACKET BERHAD ( 534942-H )**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	Financial period ended	
	31/12/2015	30/6/2014
	RM'000	RM'000
	(Unaudited)	(Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation		
-continuing operations	29,972	2,255
-discontinued operation	(52,116)	(204,238)
Adjustments for non cash items:-		
Amortisation of development cost	8,826	7,289
Amortisation of intellectual property	2,003	2,771
Amortisation of modem	-	33,496
Bad debts written off	-	152
Depreciation of plant and equipment	1,700	135,342
Development cost written off	-	6,648
Impairment of goodwill	-	346
Share based payment under ESOS	795	369
Gain on dilution of subsidiaries	(152,529)	-
Share of Loss of associate	115,740	93,641
Other non-cash items	-	0
Operating profit/(loss) before working capital changes	(45,609)	78,071
Changes in working capital		
Decrease/(Increase) in assets	(65,742)	(51,635)
(Decrease)/Increase in liabilities	16,866	97,219
Cash from operating activities	(94,485)	123,655
Finance costs	13,534	(83,390)
Tax paid	(18,889)	(2,230)
<b>Net cash from operating activities</b>	<b>(99,840)</b>	<b>38,035</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Investment in financial instrument issued by associates	(37,455)	-
Development expenditure incurred	(6,462)	(6,496)
Interest received	-	2,778
Proceeds from disposal of subsidiary	(14,475)	-
Proceeds from disposal of plant and equipment	-	50,696
Proceeds from disposal of assets held for sale	-	-
Purchase of plant and equipment	(6,593)	(25,296)
Fixed deposit pledged with licensed bank	-	(8,776)
<b>Net cash for investing activities</b>	<b>(64,985)</b>	<b>12,906</b>
<b>CASH FLOW FOR FINANCING ACTIVITIES</b>		
Issuance of Exchangeable MTNs to non-controlling interest	186,782	-
Issuance of Preference Share to non-controlling interest by subsidiary	-	47
Proceeds from issuance of ordinary shares	11	1
Net drawdown/(repayment) of bank borrowings	(289)	(63,960)
Repayment to hire purchase/lease obligations	(43)	513
<b>Net cash for financing activities</b>	<b>186,461</b>	<b>(63,399)</b>
Net increase/ (decrease) in cash and cash equivalents	21,636	(12,458)
Foreign exchange translation differences	5,784	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	71,676	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	59,070	36,093
Fixed deposit with licensed bank	12,606	3,681
<b><u>Discontinued Operation</u></b>		
Cash and bank balances	-	4,482
	71,676	44,256

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

**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.

The Company has adopted and complied with MFRS 1 - first time adoption of Malaysian Financial Reporting Standards.

**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 publish 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 119: Defined Benefit Plans – Employee Contributions (effective from 1 July 2014)
- b) Annual Improvements to MFRSs 2010 – 2012 Cycle (effective from 1 July 2014)
- c) Annual Improvements to MFRSs 2011 – 2013 Cycle (effective from 1 July 2014)

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 April 2015, and have yet to be adopted by the Group:

- a) Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an investor and its Associate or Joint Venture (effective from 1 January 2016)
- b) Amendments to MFRS 11: Accounting for Acquisitions of interests in Joint Operations (effective from 1 January 2016)
- c) Amendments to MFRS 10, MFRS12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception (effective from 1 January 2016)
- d) Amendments to MFRS 101 : Presentation of Financial Statements – Disclosure Initiative (effective from 1 January 2016)
- e) Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)
- f) Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants (effective from 1 January 2016)
- g) Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements (effective from 1 January 2016)
- h) Annual Improvements to MFRSs 2012 – 2014 Cycle (effective from 1 January 2016)
- i) MFRS 15: Revenue from Contracts with Customers (effective from 1 January 2018)
- j) MFRS 9: Financial Instrument- Classification and measurement of financial assets and financial liabilities (effective from 1 January 2018)

**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 31 Dec 2015, 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 each (‘000)	RM 1.97 each (‘000)	RM 0.80 each (‘000)	RM 1.10 each (‘000)	RM 0.60 each (‘000)	RM 0.56 each (‘000)	RM 0.30 each (‘000)	RM 0.26 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	-	-	-	-	-	-	-	1,974
Cancellation during the year	(900)	(748)	(593)	(621)	(545)	(903)	(1,003)	(90)
Exercise during the year	-	-	-	-	-	-	(38)	-
Outstanding as at 31 December 2015	3,278	2,355	3,415	3,915	4,320	4,914	5,905	1,884

The 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 operation

The Group has significantly diluted its equity interest in its Broadband business, completed in September 2014.

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

	The Group 30-Sep-14 RM'000
Revenue	61,616
Cost of Goods Sold	(15,295)
Gross Profit	46,321
Other Income	235
	46,556
Operating Expenses	(78,360)
Finance cost	(20,312)
Loss before taxation	(52,116)
Income tax expense	-
Loss after taxation from discontinued operation	(52,116)

#### 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 31 Dec 2015, as follows:-

##### Results for the financial year (period ended 31 Dec 2015)

	Malaysia RM'000	Overseas RM'000	Group RM'000
<b>Revenue</b>			
Software and Devices	20,778	181,575	202,353
Communication Services	1,152	314,215	315,367
	21,930	495,790	517,720
Broadband Services (Discontinued Operations)	61,616	-	61,616
	83,546	495,790	579,336
<b>Results</b>			
Software and Devices	(14,603)	5,750	(8,853)
Communication Services	67	13,070	13,137
	(14,536)	18,820	4,284
Finance costs			(17,914)
Finance income			1,196
			(12,434)
Dilution of interest in subsidiary			152,529
Share of net loss of associate			(115,740)
Income tax expense			5,619
			29,974
Loss after tax for discontinued operation			(52,116)
Profit after taxation			(22,142)
Non-controlling interests			23,386
Profit after taxation & Non-controlling interests			1,244

\*Note: includes a one-time gain on dilution of subsidiary interest from 55.0% to 31.1% contributed RM152.5 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

On 11 February 2016, investment in an associate, Packet One Networks (Malaysia) Sdn Bhd was diluted from 31.1% to 18.9% after completion of the conversion of Convertible Unsecured Medium Term Notes of the associate company and net debt adjustment to Mobikom Sdn. Bhd. in accordance to the terms of the Investment Agreement dated 27 March 2014

#### A13 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31 Dec 2015.

#### 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

	RM'000
Plant & equipment	
Approved and contracted for:	-
Approved and not contracted for:	81

#### 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 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**

Total revenue, EBITDA and loss after tax of the Group stands at approximately RM99.9 million, RM3.99 million and (RM24.1 million) respectively for the current financial quarter ended at 31 Dec 2015 ("6Q15"). Loss after tax includes (RM31.7 million) share of net loss of associate.

Revenue contribution comprises the following:-

	3 months period ended		% Change
	31-Dec-15	31-Dec-14	
	RM million	RM million	
Software and Devices	39.28	N/A	N/A
Communication Services	60.58	N/A	N/A
	99.86	N/A	N/A

- Software and Devices business registered 7.7% lower revenue in the current quarter compared to year on year basis even with higher sales volume due to lower average selling price on devices.
- The Communication Services business recorded a higher revenue of RM60.6 million which represent a 9.8% growth in the current quarter as compare to the previous year on year mainly contributed by weaker Ringgit.

EBITDA comprises the following:-

	3 months period ended		% Change
	31-Dec-15	31-Dec-14	
	RM million	RM million	
Software and Devices	2.23	N/A	N/A
Communication Services	1.76	N/A	N/A
	3.99	N/A	N/A

EBITDA of RM3.99 million was higher year on year basis mainly due to foreign exchange gain accrued.

Profit/ (Loss) after tax comprises the following:-

	3 months period ended		% Change
	31-Dec-15	31-Dec-14	
	RM million	RM million	
Software and Devices *	5.63	N/A	N/A
Communication Services	1.91	N/A	N/A
Share of loss of associate	(31.66)	N/A	N/A
	(24.12)	N/A	N/A

\*Including interest cost of RM3.51 million in relation to the Exchangeable Medium Term Notes drawdown.

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

Overall revenue for current quarter was 26.9% higher compared to quarter on quarter basis, contributed by both the operating businesses. The Group registered lower net losses in the current quarter mainly from foreign exchange gain and reversal of tax provision.

	Current Year	Immediate	% Change
	Quarter	Preceding	
	31-Dec-15	30-Sep-15	
	RM million	RM million	
Revenue	99.86	78.72	26.9%
Loss before tax	(33.67)	(28.82)	-16.8%
Loss after tax	(24.12)	(29.10)	17.1%

**B3 Business prospects**

The Software & Devices business in LTE devices were performing well in the current quarter within the ASEAN markets after phasing out of its existing Wimax devices. It will continue to expand on its LTE product offering with strategic partners in the ASEAN region and to develop new LTE products for other regions.

As for the Communication Services business, growth will be expected from the Middle East region. It will focus on improving its gross margin on existing market in Asia.

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

Not applicable as no forecast was published.

**B5 Income tax expense**

	Financial
	31 Dec 2015
	RM'000
Current tax expense	<u>(5,619)</u>

## B6 Status of corporate proposals and utilisation of proceeds

The status of Corporate Proposals announced but not completed:

- a) 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) 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 that are not completed are as stated below:-
- (I) Proposed issuance by the Company of up to RM210.0 million of nominal value of eight (8)-year Redeemable Exchangeable Bonds (also known as Exchangeable Medium Term Notes) to TMB (or if TMB elects to Mobikom) in tranches; and
- (II) 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")

As of 31 December 2015, the Company has issued the tranche A, B and C of the Exchangeable Medium Term Notes issuance comprising RM186,782,377 of nominal value of the Exchangeable Medium Term Notes to Mobikom. The proceeds raised were utilised in the following manner:-

- Settlement of the judgment obtained by Intel Capital Corporation under Kuala Lumpur High Court suit 22NCC-506-07/2013	RM '000
- Settlement of the proposed acquisition by POSB of an aggregate of 450,000 PON shares from the minority shareholders of PON	79,327
- Subscription of Tranche 1B of Convertible Unsecured Medium Term Note of PON	30,000
- Working capital and general corporate purposes	37,455
	<u>40,000</u>
	<u>186,782</u>

- c) On 15 September 2015, POSB has subscribed for RM37,455,000.00 of nominal value of eight (8) year Convertible Unsecured Medium Term Notes which were alloted on the same day. The subscription was financed using the proceeds raised by GPB from issuance of Tranche B of the Exchangeable Medium Term Notes.

## B7 Group borrowings and debt securities

As at 31 Dec 2015, total borrowings of the Group are as follows:

	RM '000
<u>Total borrowings:</u>	
Unsecured:	
- Exchangeable Medium Term Notes	200,316
Secured:	
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	<u>70</u>
	<u>200,386</u>
	RM '000
Non-current portion:	
- Hire purchase and finance lease liabilities, repayment more than 1 year	46
- Borrowings repayable after five years	200,316
Current portion:	
- Hire purchase and finance lease liabilities, repayment within one year	<u>24</u>
	<u>200,386</u>

## B8 Material litigations

There were no material litigations involving the Group as at the date of this announcement.

## B9 Dividends

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

**B10 Realised and unrealised losses disclosure**

The Group's realised and unrealised accumulated losses disclosure are as follows:

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised accumulated losses	(499,731)	N/A
- Unrealised retained profits	3,020	N/A
Total share of accumulated losses from associates:		
- Realised	(115,740)	-
- Unrealised	-	-
Consolidation adjustments	114,115	N/A
Total Group accumulated losses	<u>(498,336)</u>	<u>N/A</u>

**B11 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		18 months period ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit/ (Loss) attributable to ordinary equity holders of the Company	(28,732)	N/A	(2,966)	N/A
Weighted average numbers of ordinary shares in issue of RM0.20	690,409	N/A	690,409	N/A
Basic earning/ (loss) per share (sen)	<u>(4)</u>	<u>N/A</u>	<u>(0)</u>	<u>N/A</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.

**B12 Loss for the Period**

	18 months period ended	
	31.12.2015	31.12.2014*
	RM'000	RM'000
<b>Loss for the period/year is arrived at after charging (Continuing operation):</b>		
Amortisation of:		
- development cost	8,826	N/A
- intellectual property	2,003	N/A
Depreciation of plant and equipment	1,700	N/A
Development costs written off	0	N/A
Finance costs	17,914	N/A
Share based payment under ESOS	795	N/A
Foreign exchange gain	4,210	N/A
<b>and after crediting:</b>		
Gain on dilution of subsidiaries	152,529	N/A

\*Note: No comparison is provided due to the change in financial year end to 31 December 2015.

**B13 Comparative Figure**

There were no comparative figures for this quarter ended 31 December 2015 following the Company's change of financial year end from 30 June to 31 December. Enclosed herewith the quarterly financial results for the period ended 31 December 2014 marked as "Appendix A" for your reference.

**B14 Change of financial year end**

On 26 January 2015, the Board has approved to change the financial year end from 30 June 2015 to 31 December 2015 and the next financial statements shall be in a period of 18 months, from 1 July 2014 to 31 December 2015.

**B15 Authorisation for issue**

The interim financial statements were authorised on 24 February 2016 for issue by the Board of Directors.