

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		12 Months Period Ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM '000	RM '000	RM '000	RM '000
Revenue	97,791	109,655	356,970	366,251
Operating expenses				
-Depreciation & amortisation	(726)	(2,517)	(3,019)	(8,936)
-Other operating costs	(103,360)	(105,542)	(361,141)	(362,906)
Other income	10,780	6,107	11,543	5,885
Profit from operations	4,485	7,703	4,352	294
Gain on dilution of interest in associate	-	-	-	49,391
Gain on fair value of long term investment on reclassification from interest in associate	-	-	-	98,247
Share of gain/(losses) in associate companies	(2,159)	(535)	(3,575)	(56,617)
Finance costs	(4,570)	(4,271)	(17,667)	(16,372)
(Loss)/Profit before tax	(2,244)	2,897	(16,890)	74,943
Income tax expense	(477)	(2,450)	(92)	(4,279)
(Loss)/Profit for the period	(2,721)	447	(16,982)	70,664
Fair value gain on other quoted investment	40,328	-	40,328	-
Foreign currency translation differences for foreign operations	(3,370)	4,919	(5,488)	2,015
Total other comprehensive (expenses)/income for the period	36,958	4,919	34,840	2,015
Total comprehensive (loss)/profit for the period	34,237	5,367	17,858	72,679
(Loss)/Profit attributable to:				
Owners of the Company	(2,622)	451	(16,620)	70,688
Non-controlling interests	(99)	(4)	(362)	(24)
(Loss)/Profit for the Period	(2,721)	447	(16,982)	70,664
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	34,336	5,371	18,220	72,703
Non-controlling interests	(99)	(4)	(362)	(24)
Total comprehensive (loss)/profit for the period	34,237	5,367	17,858	72,679
Basic earning per ordinary share (sen):	(0.4)	0.1	(2.3)	10.2

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016.

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	As at 31/12/2017 (Unaudited) RM '000	As at 31/12/2016 (Audited) RM '000
ASSETS		
Investment in associates	37,145	17,472
Property, plant and equipment	6,625	4,731
Other long term investments	267,620	209,623
Intangible Assets	9,130	-
Development costs	8,536	652
Total non-current assets	329,056	232,478
Inventories	1,347	800
Trade receivables	61,320	141,076
Other receivables, deposits and prepayments	30,685	23,865
Tax recoverable	2,454	-
Fixed deposits with licensed banks	12,960	28,149
Cash and bank balances	26,843	34,257
Total current assets	135,609	228,147
TOTAL ASSETS	464,665	460,625
EQUITY		
Share capital	156,182	138,089
Reserves	9,883	(8,035)
Total equity attributable to owners of the Company	166,065	130,054
Non-controlling interests	811	88
Total equity	166,876	130,142
LIABILITIES		
Long term borrowings	234,424	216,387
Hire purchase and finance lease liabilities	244	364
Deferred tax liabilities	6	86
Total non-current liabilities	234,674	216,837
Trade payables	42,798	89,504
Other payables and accruals	19,831	23,256
Amount owing to related parties	-	456
Provision for taxation	350	294
Hire purchase and finance lease liabilities	136	136
Total current liabilities	63,115	113,646
TOTAL LIABILITIES	297,789	330,483
TOTAL EQUITY AND LIABILITIES	464,665	460,625
Net asset per share attributable to ordinary equity holders of the parent (sen)	23	19

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	-----Attributable to owners of the Company -----								
	Non-Distributable					Accumulated Losses	Sub-total	Non- controlling Interests	Total Equity
Shares Capital	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	
<i>Unaudited</i>									
At 1 January 2017	138,089	412,796	8,655	(12,217)	-	(417,269)	130,054	88	130,142
Issue of ordinary shares	18,093	-	-	-	-	-	18,093	-	18,093
Share issues expenses	-	(302)	-	-	-	-	(302)	-	(302)
Fair value gain on other quoted investment	-	-	-	-	40,328	-	40,328	-	40,328
Foreign currency translation differences for foreign operations	-	-	(5,488)	-	-	-	(5,488)	-	(5,488)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	1,085	1,085
Loss for the period	-	-	-	-	-	(16,620)	(16,620)	(362)	(16,982)
	18,093	(302)	(5,488)	-	40,328	(16,620)	36,010	723	36,734
At 31 December 2017	156,182	412,494	3,167	(12,217)	40,328	(433,889)	166,065	811	166,876

The share premium has not been transferred to the share capital pursuant to Section 618 of the Companies Act 2016.

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	-----Attributable to Equity Holders of the Parent -----								
	Non-Distributable					Accumulated Losses	Sub-total	Non- controlling Interests	Total Equity
	Shares Capital	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	
<u>Audited</u>									
At 1 January 2016	138,089	412,796	6,640	(11,389)	18,577	(506,534)	58,179	112	58,291
Foreign currency translation differences for foreign operations	-	-	2,015	-	-	-	2,015	-	2,015
Purchase of treasury shares	-	-	-	(828)	-	-	(828)	-	(828)
Expiry of ESOS	-	-	-	-	(18,577)	18,577	-	-	-
Profit for the period	-	-	-	-	-	70,688	70,688	(24)	70,664
	-	-	2,015	(828)	(18,577)	89,265	71,875	(24)	71,851
At 31 December 2016	138,089	412,796	8,655	(12,217)	-	(417,269)	130,054	88	130,142

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016.

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	Financial period ended	
	31/12/2017	31/12/2016
	RM'000	RM'000
	(Unaudited)	(Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(16,889)	74,943
Adjustments for non cash items:-		
Amortisation of development cost	78	1,012
Amortisation of intellectual property	-	1,001
Depreciation of property, plant and equipment	1,811	1,433
Development costs written off	-	4,600
Goodwill written off	-	5,799
Impairment loss on trade receivables	-	195
Interest income	(1,047)	(1,548)
Interest expense	17,380	16,081
Intangible-intellectual property written off	-	890
Inventories written off	-	1,277
Share of loss of associates	3,575	56,617
Bad debts recovered	-	(87)
Unrealised (gain)/loss on foreign exchange	-	(1,306)
Gain on dilution/fair value gains	(10,082)	(147,638)
Writeback of inventories written off	-	(535)
Operating profit/(loss) before working capital changes	(5,174)	12,734
Changes in working capital		
(Increase)/Decrease in inventories	(547)	13,282
(Increase)/Decrease in assets	74,135	(34,647)
Increase/(Decrease) in liabilities	(51,990)	21,769
Cash from operating activities	16,424	13,138
Interest received/(paid)	1,047	1,538
Tax paid	(2,592)	(3,441)
Net cash from operating activities	14,879	11,235
CASH FLOW FOR INVESTING ACTIVITIES		
Acquisition of subsidiary	(9,868)	-
Cash from investing subsidiary	1,905	-
Purchase of other investment	(30,835)	(18,250)
Purchase of property, plant and equipment	(2,102)	(2,009)
Purchase of treasury shares	-	(828)
Development costs incurred	(7,962)	(652)
(Advance to)/Repayment from related companies	(456)	(316)
Net cash for investing activities	(49,318)	(22,055)
CASH FLOW FOR FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares (net of expenses)	17,790	-
Net repayment of borrowings	(330)	-
Net (placement)/withdrawal of fixed deposit pledged to a licensed bank	4,509	(725)
Repayment of hire purchase obligations	(136)	(70)
Net cash from/(for) financing activities	21,833	(795)
Net increase/(decrease) in cash and cash equivalents	(12,606)	(11,615)
Foreign exchange translation differences	(5,488)	1,659
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	49,075	59,031
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30,981	49,075
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	26,843	49,070
Fixed deposit with licensed bank	12,960	13,336
	39,803	62,406
Fixed deposit pledged with licensed bank	(8,822)	(13,331)
	30,981	49,075

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 2016.

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 year ended 31 December 2016 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 January 2017 as set out below:

- a) Amendments to MFRS 107 : Statements of Cash Flows - Disclosure Initiative
- b) Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses
- c) Amendments to MFRS 12: Disclosure of Interests in Other Entities

The adoption of the above standards and interpretations does not have significant financial impact to the Group's consolidated financial statements for the current quarter.

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 January 2018, and have yet to be adopted by the Group:

- a) MFRS 1: Amendments to MFRS 1 (Annual Improvement to MFRS Standards 2014-2016 Cycle) (effective from 1 January 2018)
- b) MFRS 2: Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2) (effective from 1 January 2018)
- c) MFRS 9: Financial Instrument- Classification and measurement of financial assets and financial liabilities (effective from 1 January 2018)
- d) MFRS 15: Revenue from Contracts with Customers (effective from 1 January 2018)
- e) MFRS 16: Leases (effective from 1 January 2019)
- f) MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) (Deferred)

A3 Auditors' report on preceding annual financial statements

The auditors issued an unqualified audit opinion on the financial statements for the year ended 31 December 2016.

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 year 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 December 2017 except on 20 March 2017, the Company increased its issued shares from 690,446,719 to 758,720,619 by way of an issuance and allotment of 68,273,900 new ordinary shares at an issue price of RM 0.265 each.

A8 Dividends payment

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

A9 Segmental information

Segmental information is provided based on geographical segment by customers' location as follows:-

Results for the financial year ended 31 December 2017	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	-	99,219	99,219
Communication Services	300	255,722	256,022
Digital Services	1,729	-	1,729
	<u>2,029</u>	<u>354,941</u>	<u>356,970</u>
Results			
Software and Devices	-	(383)	(383)
Communication Services	627	1,048	1,675
Digital Services	(5,997)	-	(5,997)
Investment Holding	8,010	-	8,010
	<u>2,640</u>	<u>665</u>	<u>3,305</u>
Finance costs			(17,667)
Finance income			1,047
			<u>(13,315)</u>
Share of net loss of associate			(3,575)
Loss before taxation			(16,890)
Income tax expense			(92)
Loss after taxation			(16,982)
Non-controlling interests			362
Loss after taxation & non-controlling interests			<u>(16,620)</u>

Results for the financial year ended 31 December 2016	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	16,898	114,854	131,752
Communication Services	180	234,319	234,499
	<u>17,078</u>	<u>349,173</u>	<u>366,251</u>
Results			
Software and Devices	151	3,736	3,887
Communication Services	109	7,037	7,146
	<u>260</u>	<u>10,773</u>	<u>11,033</u>
Finance costs			(16,081)
Finance income			1,548
			<u>(3,500)</u>
Gain on dilution of interest in associate *			49,391
Gain on fair value of long term investment on reclassification from interest in associate *			98,247
Share of net loss of associate			(56,617)
Impairment of goodwill on acquisition			(5,799)
Impairment of development cost and intangible-intellectual property			(6,778)
Profit before taxation			74,944
Income tax expense			(4,279)
Profit after taxation			70,664
Non-controlling interests			24
Profit after taxation & Non-controlling interests			<u>70,688</u>

* Note: includes gain on dilution of associate interest from 31.1% to 18.9% of RM49.4 million and fair value gains on reclassification from interest in associate to long term investment of RM98.2 million.

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

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

A12 Changes in the composition of the Group

There is no change in the composition of the Group during the current financial quarter ended 31 December 2017 except as follow :

- (i) On 30 November 2017, the Company's wholly owned subsidiary, Next Global Technology Sdn Bhd has completed its member's voluntary winding-up and ceased to be a subsidiary of the Company.
- (ii) On 4 December 2017, the Company's wholly owned subsidiary, Green Packet (Australia) Pty Ltd (“GP (Australia)”), a company incorporated in the Australia has appointed Mr John Frederick Taylor of Level 15, 1 O’Connell Street, Sydney as the liquidator for GP (Australia).

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.

A14 Capital commitments

The Group does not have any capital commitments at the date of the announcement.

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.

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

B1 Review of the performance of the Group

Financial review for current quarter and financial year to date:-

	3 months period ended		% Change	12 months period ended		% Change
	31-Dec-17 RM million	31-Dec-16 RM million		31-Dec-17 RM million	31-Dec-16 RM million	
Revenue	97.79	109.65	-11%	356.97	366.25	-3%
Operating Profit	4.48	7.70	42%	4.35	0.29	1380%
EBITDA	5.21	3.06	70%	7.37	12.41	-41%
Profit/(Loss) Before Tax	(2.24)	2.90	-177%	(16.89)	74.94	-123%
Profit/(Loss) After Tax	(2.72)	0.44	-713%	(16.98)	70.66	-124%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(2.62)	0.47	-660%	(16.62)	70.69	-124%

Group's Financial Performance and Segmental Analysis:-

Total revenue, EBITDA and loss after tax ("LAT") of the Group stands at approximately RM97.79 million, RM5.21 million and (RM2.72 million) respectively for the current financial quarter ended at 31 December 2017 ("4Q17").

Total revenue, EBITDA and loss after tax ("LAT") of the Group stands at approximately RM356.97 million, RM7.37 million and (RM16.98 million) respectively for the current financial year ended at 31 December 2017 ("FY17").

Revenue contribution comprises the following:-

	3 months period ended		% Change	12 months period ended		% Change
	31-Dec-17 RM million	31-Dec-16 RM million		31-Dec-17 RM million	31-Dec-16 RM million	
Software and Devices	22.74	48.63	-53%	99.22	131.75	-25%
Communication Services	74.14	61.02	22%	256.02	234.50	9%
Digital Services	0.91	-	100%	1.73	-	100%
Total	97.79	109.65	-11%	356.97	366.25	-3%

- Software and Devices business registered 53% lower sales in the current quarter compared to year on year basis mainly due to lower devices shipment to major customers in ASEAN compared to the previous year corresponding quarter.
- The Communication Services business recorded a higher revenue of 22% in the current quarter as compared to the previous year on year mainly due to improved sales from most of the countries in ASEAN and Middle East.

EBITDA comprises the following:-

	3 months period ended		% Change	12 months period ended		% Change
	31-Dec-17 RM million	31-Dec-16 RM million		31-Dec-17 RM million	31-Dec-16 RM million	
Software and Devices	(1.25)	0.84	-249%	0.99	4.23	-76%
Communication Services	(0.07)	2.22	-103%	3.79	8.18	-54%
Digital Services	(3.00)	-	-100%	(6.56)	-	-100%
Investment Holding	9.53	-	-100%	9.14	-	-100%
Total	5.21	3.06	70%	7.37	12.41	-41%

Positive EBITDA of RM5.21 in the current quarter compared to a EBITDA of RM3.06 million in the previous corresponding quarter were mainly due to fair value gain on other quoted investment which offset higher business development costs incurred to built the Digital Services business. In addition to that, lower sales from the Software and Devices business and lower gross profits margin from the communication services business have also resulted in negative EBITDA in the current quarter. The negative EBITDA for Software and Devices for the current quarter was also affected by the foreign currency exchange losses due to the weaker USD against the MYR.

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

	3 months period ended			12 months period ended		
	31-Dec-17 RM million	31-Dec-16 RM million	% Change	31-Dec-17 RM million	31-Dec-16 RM million	% Change
Software and Devices	(1.34)	1.63	-182%	0.52	0.88	41%
Communication Services	(0.40)	3.34	-112%	2.04	6.16	-67%
Digital Services	(3.39)	-	-100%	(7.97)	-	-100%
Investment Holding	9.14	-	100%	9.66	-	100%
Finance costs*	4.01	4.96	-19%	4.25	7.04	-40%
Gain on dilution of interest in associate	(4.57)	(3.98)	-15%	(17.67)	(16.08)	-10%
Gain on fair value of long term investment on reclassification from interest in associate	-	-	-	-	49.39	-100%
Impairment of goodwill on acquisition	-	-	-	-	98.25	-100%
Impairment of development costs and intangible-intellectual property	-	-	-	-	(5.80)	100%
Share of loss of associate	-	-	-	-	(5.49)	100%
Share of loss of associate	(2.16)	(0.54)	-302%	(3.57)	(56.62)	94%
Total	(2.72)	0.44	-713%	(16.98)	70.69	-124%

*Finance cost is mainly in relation to the Exchangeable Medium Term Notes.

Higher business development costs incurred to build the Digital Services business coupled with weaker EBIDTA from the Software and Devices and Communication Services business and finance costs accrued from the Exchangeable Medium Term Notes have resulted in the loss after tax of RM2.72 million in the current quarter.

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

Financial review for current quarter compared with immediate preceding quarter:-

	3 months period ended		% Change
	<u>31-Dec-17</u>	<u>30-Sep-17</u>	
	RM million	RM million	
Revenue	97.79	97.16	1%
Operating Profit	4.48	(0.31)	-1547%
EBITDA	5.21	0.51	922%
Loss Before Tax	(2.24)	(5.90)	62%
Loss After Tax	(2.72)	(5.29)	49%
Loss Attributable to Ordinary Equity Holders of the Parent	(2.62)	(5.20)	50%

Total revenue and loss after tax ("LAT") of the Group for the current financial quarter ended 31 December 2017 ("4Q17") were RM97.79 million and RM2.72 million respectively as compared to the revenue and LAT of the Group for the previous preceding financial quarter ended at 30 September 2017 ("3Q17") of RM97.16 million and (RM5.29) million respectively.

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	3 months period ended		% Change
	<u>31-Dec-17</u>	<u>30-Sep-17</u>	
	RM million	RM million	
Software and Devices	22.74	23.81	-4%
Communication Services	74.14	73.09	1%
Digital Services	0.91	0.26	0%
Total	97.79	97.16	1%

Overall, revenue for current quarter was slightly better than the previous quarter.

EBITDA comprises the following:-

	3 months period ended		% Change
	<u>31-Dec-17</u>	<u>30-Sep-17</u>	
	RM million	RM million	
Software and Devices	(1.25)	0.43	-390%
Communication Services	(0.07)	2.05	-103%
Digital Services	(3.00)	(1.45)	-107%
Investment Holding	9.53	(0.52)	-1933%
Total	5.21	0.51	922%

EBITDA of RM5.21 million in the current quarter was higher as compared with the preceding quarter mainly due to fair value gain on other quoted investment which offset the higher business development costs incurred to build the Digital Services business coupled with foreign exchange loss on weaker USD against MYR for the Software and Devices business and lower gross profit margin for the communication business.

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

	3 months period ended		% Change
	<u>31-Dec-17</u>	<u>30-Sep-17</u>	
	RM million	RM million	
Software and Devices	(1.34)	0.32	-519%
Communication Services	(0.40)	1.26	-132%
Digital Services	(3.39)	(1.86)	-82%
Investment Holding	9.14	0.58	1475%
Finance costs*	4.01	0.30	1236%
Share of loss of associate	(4.57)	(5.03)	9%
Share of loss of associate	(2.16)	(0.56)	-285%
Total	(2.72)	(5.29)	-49%

*Finance cost is mainly in relation to the Exchangeable Medium Term Notes.

B3 Current prospects and progress on previously announced financial estimates**a) Current prospects**

The Company is continuing to pursue efforts to improve the performance of the Group as follows:-

- a. Secure greater geographical reach in markets for new LTE products.
- b. Expand the wholesale voice traffic and grow the wholesale data services.
- c. Invest in new growth areas such as Internet of Things ("IOT") and Digital Services platform which are complementary to and synergistic with the existing 2 business pillars and having the potential to contribute positively to the Group.
- d. Upselling new media devices and platform developed by its associate company, Shenzhen Memo Technology Co. Ltd. ("Memohi") to its customers in Asean.
- e. The Company has on 23 January 2018 ("Effective Date") entered into a contract with MYTV Broadcasting Sdn Bhd ("MYTV") for the design, supply, assembly, testing and acceptance of DVB-T2 (T2000) set-top boxes ("STB") ("the Contract"). Under the Contract, the Purchase Orders may be issued by MYTV to the Company from time to time for the supply of up to 3,600,000 STB provided that no further Purchase Orders shall be issued after the expiry of two (2) years from the Effective Date, unless the parties otherwise agree in writing. The Contract is expected to contribute positively to the earnings and net assets per share of the Company for the financial years ending 31 December 2018 onwards until the expiry of the Contract.

b) Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced

There was no financial forecast previously announced by the Group.

B4 Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable

B5 Financial estimate, forecast or projection/profit guarantee

There was no financial estimate, forecast or projection and profit guarantee issued by the Group.

B6 Income tax expense

	Financial period ended 31-Dec-17 RM'000
Current year tax expense	92

B7 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) Utilisation of private placement proceeds completed on 20 March 2017.

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
(i) Product and business development	9,000	9,000	24 months
(ii) Future investments	5,000	5,000	12 months
(iii) General working capital	4,013	4,013	6 months
(iv) Estimated expenses in relation to the private placement	80	80	3 months
Total	18,093	18,093	

The total share issue expenses was RM 303,000 of which RM 80,000 will be utilised from the private placement proceeds.

B8 Group borrowings and debt securities

Total borrowings of the Group are as follows:

	As at 31 December 2017		
	Non-current RM '000	Current RM '000	Total RM '000
Secured:			
- Exchangeable medium term notes	233,711	-	233,711
- Term loan	517	196	714
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	244	136	380
Total	234,472	332	234,804

	As at 31 December 2016		
	Non-current RM '000	Current RM '000	Total RM '000
Secured:			
- Exchangeable medium term notes	216,387	-	216,387
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	364	136	500
Total	216,751	136	216,887

B9 Material litigations

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

B10 Dividends

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

B11 Earnings per share**Basic EPS**

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

	3 months period ended		12 months period ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(2,622)	451	(16,620)	70,688
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000)	736,049	682,739	736,049	682,739
Basic earning per share (sen)	(0.4)	0.1	(2.3)	10.4

B12 Profit/(Loss) for the Period

	3 months period ended		12 months period ended	
	31-Dec-17 RM'000	31-Dec-16 RM'000	31-Dec-17 RM'000	31-Dec-16 RM'000
Profit/(Loss) for the period is arrived at after charging :				
Amortisation of :				
- development cost	(68)	-	78	1,012
- intellectual property	-	-	-	1,001
Depreciation of plant and equipment	453	411	1,811	1,433
Impairment loss on trade receivables	-	-	-	195
Impairment of goodwill on acquisition	-	-	-	5,799
Impairment of development costs and intangible-intellectual property	-	-	-	5,490
Rental of premises	405	348	1,379	1,149
Loss/(Gain) on foreign exchange		0		
- realised	954	(1,610)	(152)	(1,353)
- unrealised	2,321	(3,136)	2,174	(1,306)
Staff costs:		0		
- defined contribution plan	455	310	1,568	934
- salaries and other benefits	4,369	3,929	20,475	17,653
Interest expense:		0		
- hire purchase	4	4	16	10
- exchangeable medium term notes	4,567	3,976	17,651	16,071
		-		
and after crediting :				
Gain on dilution of subsidiaries	-	-	-	49,391
Gain on fair value of long term investment on reclassification from interest in associate	-	-	-	98,247
Interest income	477	592	1,047	1,548

B13 Authorisation for issue

The interim financial statements were authorised for release by the Board of Directors on 28 February 2018.