

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		12 Months Cummulative	
	31/12/16	31/12/15	31/12/16	31/12/15
	RM '000	RM '000	RM '000	RM '000
Revenue	115,239	N/A	371,835	N/A
Operating expenses				
-Depreciation & amortisation	(410)	N/A	(3,446)	N/A
-Other operating costs	(106,844)	N/A	(357,102)	N/A
Other income	817	N/A	2,681	N/A
Profit from operations	8,802	N/A	13,968	N/A
Gain on dilution of interest in associate	-	N/A	49,392	N/A
Gain on fair value of long term investment on reclassification from interest in associate	-	N/A	98,247	N/A
Share of net loss of associate	(534)	N/A	(56,617)	N/A
Impairment of Goodwill on acquisition, development costs and intangible-intellectual property	-	N/A	(12,577)	N/A
Finance costs	(4,271)	N/A	(16,372)	N/A
Profit before tax	3,997	N/A	76,041	N/A
Income tax expense	(2,756)	N/A	(4,585)	N/A
Profit for the period	1,241	N/A	71,456	N/A
Foreign currency translation differences for foreign operations	4,919	N/A	1,139	N/A
Total other comprehensive expense for the period	4,919	N/A	1,139	N/A
Total comprehensive profit for the period	6,160	N/A	72,594	N/A
Profit attributable to:				
Owners of the Company	1,245	N/A	71,465	N/A
Non-controlling interests	(4)	N/A	(9)	N/A
Profit for the Period	1,241	N/A	71,456	N/A
Total comprehensive Profit attributable to:				
Owners of the Company	6,164	N/A	72,603	N/A
Non-controlling interests	(4)	N/A	(9)	N/A
Total comprehensive profit for the period	6,160	N/A	72,594	-
Basic earning per ordinary share (sen):	0.2	N/A	10.4	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the period ended 31 December 2015.

*Note: No comparison is provided due to the previous financial period ended 31 December 2015 comprises result for 18 financial months. Current financial year ending 31 December 2016 comprises 12 financial months result.

GREEN PACKET BERHAD (534942-H)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	As at 31/12/2016 (Unaudited) RM '000	As at 31/12/2015 (Audited) RM '000
ASSETS		
Investment in associate	17,473	80,232
Property, plant and equipment	4,731	3,454
Other long term investments	209,997	37,592
Goodwill on acquisition	-	5,799
Development costs	652	5,612
Intangible - Intellectual property	-	1,891
Total non-current assets	232,853	134,580
Inventories	1,059	14,700
Trade receivables	144,412	74,142
Other receivables, deposits and prepayments	22,435	22,925
Amount owing by associate	-	26,226
Tax recoverable	220	2,084
Fixed deposits with licensed banks	31,149	33,932
Cash and bank balances	29,911	37,705
Total current assets	229,186	211,714
TOTAL ASSETS	462,039	346,294
EQUITY		
Share capital	138,089	138,089
Reserves	(8,134)	(79,910)
Total equity attributable to owners of the Company	129,955	58,179
Non-controlling interests	103	112
Total equity	130,058	58,291
LIABILITIES		
Long term borrowings	216,387	200,316
Hire purchase and finance lease liabilities	364	50
Deferred tax liabilities	1,249	1,588
Total non-current liabilities	218,000	201,954
Trade payables	92,321	61,019
Other payables and accruals	21,524	22,091
Amount owing to related parties	-	772
Amount owing to associate	-	2,147
Hire purchase and finance lease liabilities	136	20
Total current liabilities	113,981	86,049
TOTAL LIABILITIES	331,981	288,003
TOTAL EQUITY AND LIABILITIES	462,039	346,294
Net asset per share attributable to ordinary equity holders of the parent (sen)	19	8

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the period ended 31 December 2015.

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

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

(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 January 2016	138,089	412,796	6,640	(11,389)	18,577	(506,534)	58,179	112	58,291
Purchase of treasury shares				(828)			(828)		(828)
Foreign currency translation differences for foreign operations	-	-	1,139	-	-	-	1,139	-	1,139
ESOS Reserves transferred to Capital Reserves	-	-	-	-	(18,577)	-	(18,577)	-	(18,577)
Capital Reserves transferred from ESOS Reserves	-	-	-	-	18,577	-	18,577	-	18,577
Profit for the period	-	-	-	-	-	71,465	71,465	(9)	71,456
	-	-	1,139	(828)	-	71,465	71,776	(9)	71,767
At 31 December 2016	138,089	412,796	7,779	(12,217)	18,577	(435,069)	129,955	103	130,058

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the period ended 31 December 2015.

*Note: No comparison is provided due to the previous financial period ended 31 December 2015 comprises result for 18 financial months. Current financial year ending 31 December 2016 comprises 12 financial months result.

GREEN PACKET BERHAD (534942-H)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Financial period ended	
	31/12/2016	31/12/2015
	RM'000	RM'000
	(Unaudited)	(Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	76,042	N/A
Adjustments for non cash items:-		
Amortisation of development cost	3,728	N/A
Depreciation of property, plant and equipment	1,432	N/A
Development costs written off	1,232	N/A
Goodwill written off	5,799	N/A
Impairment loss on trade receivables	235	N/A
Interest income	(1,891)	N/A
Interest expense	16,081	N/A
Intangible - Intellectual property written off	1,891	N/A
Share of loss of associates	56,617	N/A
Gain on dilution/fair value gains	(147,639)	N/A
Operating profit/(loss) before working capital changes	13,527	N/A
Changes in working capital		
(Increase)/Decrease in inventories	13,641	N/A
(Increase)/Decrease in assets	(70,015)	N/A
Increase/(Decrease) in liabilities	30,735	N/A
Increase/(Decrease) in amount owing by associate	24,079	N/A
Cash from operating activities	11,967	N/A
Interest received	1,516	N/A
Tax paid	(3,060)	N/A
Net cash from operating activities	10,424	N/A
CASH FLOW FOR INVESTING ACTIVITIES		
Purchase of other investment	(18,250)	N/A
Purchase of property, plant and equipment	(2,710)	N/A
Purchase of treasury shares	(828)	N/A
(Advance to)/Repayment from related companies	(772)	N/A
Net cash for investing activities	(22,560)	N/A
CASH FLOW FOR FINANCING ACTIVITIES		
Net drawdown of fixed deposit pledged to a licensed bank	7,091	N/A
Repayment of hire purchase obligations	(82)	N/A
Drawdown from hire purchase	502	-
Net cash from/(for) financing activities	7,511	N/A
Net increase/ (decrease) in cash and cash equivalents	(4,626)	N/A
Foreign exchange translation differences	1,139	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	59,031	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	55,545	N/A
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	29,911	N/A
Fixed deposit with licensed bank	31,149	N/A
Fixed deposit pledged with licensed bank	(5,515)	N/A
	55,545	N/A

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2015.

*Note: No comparison is provided due to the previous financial period ended 31 December 2015 comprises result for 18 financial months.
Current financial year ending 31 December 2016 comprises 12 financial months result.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

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 31 December 2015.

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 31 December 2015 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 2016 as set out below:

- a) MFRS 14 : Regulatory Deferral Accounts (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)

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 April 2016, and have yet to be adopted by the Group:

- a) MFRS 9: Financial Instrument- Classification and measurement of financial assets and financial liabilities (effective from 1 January 2018)
- b) Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an investor and its Associate or Joint Venture (deferred until further notice)
- c) MFRS 15: Revenue from Contracts with Customers (effective from 1 January 2018)
- d) MFRS 16: Leases (effective from 1 January 2019)
- e) MFRS 107: Statement of cashflows - disclosure initiatives (effective from 1 January 2017)
- f) MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses (effective from 1 January 2017)

A3 Auditors' report on preceding annual financial statements

The auditor's report on the financial statements for the financial period ended 31 December 2015 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 December 2016.

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 January 2016	3,278	2,355	3,415	3,916	4,320	4,914	5,915	1,884
Granted during the year	-	-	-	-	-	-	-	-
Cancellation during the year	-	(3)	(3)	(9)	(24)	(19)	(86)	(54)
Exercise during the year	-	-	-	-	-	-	-	-
Outstanding as at 8 August 2016	3,278	2,352	3,412	3,907	4,296	4,895	5,829	1,830

The aforesaid Scheme was expired on 8 August 2016. All the unexercised options of 29,799,500 have lapsed and were cancelled on the same day.

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 period ended to 31 December 2016, as follows:-

Results for the financial period ended 31 December 2016

	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	16,898	120,438	137,336
Communication Services	180	234,319	234,499
	<u>17,078</u>	<u>354,757</u>	<u>371,835</u>
Results			
Software and Devices	151	5,156	5,307
Communication Services	109	7,037	7,146
	<u>260</u>	<u>12,193</u>	<u>12,453</u>
Finance costs			(16,372)
Finance income			<u>1,516</u>
			(2,403)
Gain on dilution of interest in associate *			49,392
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 costs and intangible-intellectual property			<u>(6,778)</u>
Profit before taxation			76,042
Income tax expense			<u>(4,585)</u>
Profit after taxation			71,456
Non-controlling interests			<u>9</u>
Profit after taxation & Non-controlling interests			<u>71,465</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. The fair value of the long term investment was derived after taking into consideration that the long term investment which are charged to the Exchangable Medium Term Notes ("E-MTN") holder may be transferred to the E-MTN holder as settlement of the Accreted Value of the E-MTN on maturity date at the option of the Company ("the Issuer"). In addition to that, the fair value of the long term investment has also taken into account the latest issuance price of the convertible medium term notes of Webe Digital Sdn Bhd ("Webe") and the long term business plan of Webe.

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

- a) On 19 August 2016, the Company announced that its wholly-owned subsidiary, Packet Interactive Sdn Bhd (“PISB”) has on 19 August 2016 entered in a share sale and purchase and subscription agreement with Mr. Manirajah A/L Kulanthavelu, Mdm T. Umadevi A/P S. Thiagarajan (collectively the “Vendors”) and Webonline Dot Com Sdn Bhd (“WOL”) to purchase and subscribe for shares representing in total 80% of the enlarged share capital of WOL for a total consideration of RM9.0 million (“SSA”) which is subject to the terms and conditions stipulated therein.

On the same day, PISB has entered into an Option Agreement with the Vendors to acquire the remaining 400,000 ordinary shares of RM1.00 each representing the remaining 20% stake of the enlarged share capital of WOL (“Option Shares”) for an option price based on the pre-determined key performance indicators which are measured against the financial and operational performance of WOL for the financial year ending 31 December 2017, which ranges from the base option price of RM1.0 million and capped at up to RM5.0 million which is subject to the terms and conditions stipulated therein. The option period is commencing from 31 December 2017 and expiring on 30 April 2018 or such other date mutually agreed by PISB and the Vendors.

On 6 January 2017, the Company announced that PISB has completed the following transactions in accordance with the terms and conditions of the SSA:-

- Purchase of 1,150,000 ordinary shares of RM1.00 each (“Sale Shares”) for RM6.0 million on the basis of RM5.22 per share (“Purchase Price”); and
- Share subscription of 450,000 new ordinary shares of RM1.00 each in WOL (“Subscription Shares”) for RM3.0 million on the basis of RM6.66 per share (“Subscription Price”).

The completion of the Subscription Shares together with the Sale Shares represent 80% of the issued and paid-up share capital of WOL.

- b) On 8 December 2016, the Company wholly-owned subsidiary, Worldline Enterprise Sdn Bhd (“Worldline”) has entered into a share subscription agreement to subscribe for 20% stake in the enlarged share capital of Shenzhen Memo Technology Co. Ltd for a total cash consideration of RMB10.0 million (approximately RM6.4 million).

The shares subscription was completed on 17 February 2017 for 250,000 new shares in Memohi representing a 20% Equity Interest of the registered capital of Memohi in accordance to the terms and conditions stipulated in the SSA.

- c) On 18 January 2017, on behalf of the Board of Directors of Green Packet (“Board”), RHB Investment Bank Berhad (“RHB Investment Bank”) has announced that the Company, being a major shareholder of Yen Global, intends to provide an irrevocable undertaking to Yen Global to subscribe in full for its rights entitlement under the Proposed Rights Issue, subject to certain conditions as set out in Section 2 of this Announcement (“Undertaking”). The Proposed Subscription will entail the subscription of 60,500,000 Rights Shares, together with 45,375,000 Warrants for a total consideration of RM12,100,000 (“Subscription Consideration”).

Details of Yen Global announcement made on 22 November 2016 is set out below:-

- (i) proposed reduction of the issued and paid-up share capital of Yen Global via the cancellation of RM0.40 of the par value of every Existing Yen Global Share to RM0.10 each in Yen Global pursuant to Section 64 of the Companies Act, 1965 (“Proposed Par Value Reduction”);
- (ii) proposed renounceable rights issue of up to 275,000,000 new ordinary shares of RM0.10 each in Yen Global (“Yen Global Share(s)”) (“Rights Shares”) on the basis of two (2) Rights Shares for every one (1) existing Yen Global Share held after the Proposed Par Value Reduction on an entitlement date to be determined later, together with up to 206,250,000 free detachable warrants (“Warrants”) on the basis of three (3) Warrants for every four (4) Rights Shares subscribed by the entitled shareholders (“Proposed Rights Issue”);
- (iii) proposed diversification of the business of Yen Global to include information and communications technology; and
- (iv) proposed amendments to the Memorandum and Articles of Association of Yen Global to facilitate the Proposed Par Value Reduction.

On 7 February 2017, on behalf of the Board, RHB Investment Bank announced that the percentage ratios computation as set out in Paragraph 10.02 of the Listing Requirements shall not apply to the Proposed Subscription and consequently, the rule of aggregation under Paragraph 10.12 of the Listing Requirements shall also not apply to the Proposed Subscription. In this regard, the Proposed Subscription will not be subject to the approval of the shareholders of Green Packet.

The Company will provide the Undertaking to Yen Global at a later date.

A12 Changes in the composition of the Group

Change in the composition of the Group during the current financial quarter ended 31 December 2016 is as follow:

- i) On 23 September 2016, the Company had acquired Enrich Bonus Sdn Bhd, a shelf-company with a paid-up of RM2.00 comprised of two (2) ordinary shares of RM1.00 each.
- ii) On 14 November 2016, Packet Interactive Sdn Bhd (“PISB”), a wholly owned subsidiary of the Company had completed the acquisition of the entire issued and paid-up capital of Kiple Sdn Bhd (“Kiple”) comprising 2 ordinary shares of RM1.00 each for RM2.00 (“Acquisition”). Following the acquisition, Kiple becomes a wholly-owned sub-sub-sidiary of Green Packet Berhad. The intended business activity of Kiple is to engage in internet-related businesses.

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 period under review.

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 profit after tax ("PAT") of the Group stands at approximately RM115.24 million, RM8.07 million and RM1.24 million respectively for the current financial quarter ended at 31 December 2016 ("4Q16").

Total revenue, EBITDA and profit after tax ("PAT") of the Group stands at approximately RM371.84 million, RM17.41 million and RM71.46 million respectively for the current financial period ended at 31 December 2016 ("4P16"). The PAT was mainly due to gain in dilution on investment in associate of RM49.49 million and fair value gain of long term investment on reclassification from interest in associate of RM98.25 million

Revenue contribution comprises the following:-

	3 months period ended			12 months period ended		
	31-Dec-16	31-Dec-15	% Change	31-Dec-16	31-Dec-15	% Change
	RM million	RM million		RM million	RM million	
Software and Devices	54.22	N/A	N/A	137.34	N/A	N/A
Communication Services	61.02	N/A	N/A	234.50	N/A	N/A
	115.24	N/A	N/A	371.84	N/A	N/A

- Software and Devices business registered 38% higher sales in the current quarter compared to year on year basis mainly due to improvement of sales in ASEAN and Middle East regions in the current quarter.
- The Communication Services business recorded a higher revenue of 0.7% in the current quarter as compared to the previous year on year mainly due to improved sales from most of the countries, which offset the drop in sales from Myanmar.

EBITDA comprises the following:-

	3 months period ended			12 months period ended		
	31-Dec-16	31-Dec-15	% Change	31-Dec-16	31-Dec-15	% Change
	RM million	RM million		RM million	RM million	
Software and Devices	5.79	N/A	N/A	9.17	N/A	N/A
Communication Services	2.28	N/A	N/A	8.24	N/A	N/A
	8.07	N/A	N/A	17.41	N/A	N/A

EBITDA of RM8.07 million in the current quarter was 102.2% higher on year on year basis mainly due to higher revenue from both the Software and Devices and Communication business pillar.

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

	3 months period ended			12 months period ended		
	31-Dec-16	31-Dec-15	% Change	31-Dec-16	31-Dec-15	% Change
	RM million	RM million		RM million	RM million	
Software and Devices	3.89	N/A	N/A	3.14	N/A	N/A
Communication Services	2.15	N/A	N/A	6.24	N/A	N/A
	6.04			9.38		
Finance costs*	(4.27)	N/A	N/A	(16.37)	N/A	N/A
Gain on dilution of interest in associate	-	N/A	N/A	49.39	N/A	N/A
Gain on fair value of long term investment on reclassification from interest in associate	0.00	N/A	N/A	98.25	N/A	N/A
Impairment of goodwill on acquisition	0.00	N/A	N/A	(5.80)	N/A	N/A
Impairment of development costs and intangible-intellectual property	0.00	N/A	N/A	(6.78)	N/A	N/A
Share of loss of associate	(0.53)	N/A	N/A	(56.62)	N/A	N/A
	1.24	N/A	N/A	71.46	N/A	N/A

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

The profit after tax of RM1.24 million in the current quarter was a significant improvement on year on year basis compared to previous year quarter which registered a loss after tax of RM24.12 million mainly due to improvement in performance of the 2 business pillar.

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

Overall revenue for current quarter was 26% higher compared quarter on quarter basis mainly from Solutions segment due to higher shipment in the current quarter.

	Current Year Quarter 31-Dec-16 RM million	Immediate Preceding Quarter 30-Sep-16 RM million	% Change
Revenue	115.24	91.45	26.0%
Profit/(Loss) before tax	4.00	82.65	-95.2%
Profit/(Loss) after tax	1.24	83.53	-98.5%

Total revenue and profit after tax ("PAT") of the Group for the current financial quarter ended 31 December 2016 ("4Q16") were RM115.24 million and RM1.24 million respectively as compared to the revenue and PAT of the Group for the previous preceding financial quarter ended at 30 September 2016 ("3Q16") of RM91.45 million and RM83.53 million respectively. The higher PAT in 3Q16 was mainly due to the fair value gain of long term investment on reclassification from interest in associate of RM98.25 million

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

The Board is mindful of the soft sentiment in the global telecommunication market affecting the Group's performance moving forward for the new financial year. It has continuously instituted multiple efforts to improve the performance of the company as follows :-

- a. Sell through of new LTE products via greater geographical reach in markets that have migrated to the new technology platform
- b. Expand on the wholesale voice traffic and grow the wholesale data services.

The Group has invested into areas such as; Internet of Things ("IOT") and e-Services platform which are complementary and synergistic to the existing 2 business pillars and expect the new business to contribute positively to the Group in the future.

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-16 RM'000
Under-provision of prior year tax expense	2,543
Current year tax expense	2,042
	<u>4,585</u>

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) On 27 March 2014, 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 30 September 2016, 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:-

	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
- Subscription of Tranche 1B of Convertible Unsecured Medium Term Note of PON	37,455
- Working capital and general corporate purposes	40,000
	<u>186,782</u>

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 allotted on the same day. The subscription was financed using the proceeds raised by the Company from issuance of Tranche B of the Exchangeable Medium Term Notes.

On 29 July 2016, POSB had declined Webe Digital Sdn Bhd's (formerly known as Packet One Networks (Malaysia) Sdn Bhd) offer of the Second Tranche of the Convertible Exchangeable Medium Term Notes ("CMTNs"). The Company did not drawdown the remaining RM23,217,622.81 of nominal value of the Exchangeable Medium Term Notes which was earmarked for the financing and subscription of the CMTNs.

- c) On 17 October 2016, Green Packet Berhad ("GPB" or "the Company") announced that proposed placement of new ordinary shares of RM0.20 each in GPB representing up to 10% of the issued and paid-up share capital of the company ("Proposed Placement"). On 19 October 2016, GPB submitted an application for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Placement to Bursa Malaysia Securities Berhad. Bursa Malaysia Securities Berhad had in its letter dated 17 November 2016 approved the listing and quotation of up to 69,044,600 Placement Shares to be issued pursuant to the Proposed Placement.
- d) On 16 November 2016, Inova Venture Pte Ltd, a 71% subsidiary of the Company and was incorporated in the Republic of Singapore has been placed under members' voluntary winding-up pursuant to Section 290(1)(b) of the Companies Act. Cap. 50.

B8 Group borrowings and debt securities

As at 31 December 2016, total borrowings of the Group are as follows:

	RM '000
<u>Total borrowings:</u>	
Secured:	
- Exchangeable Medium Term Notes	216,387
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	500
	<u>216,887</u>
	RM '000
Non-current portion:	
- Borrowings repayable after five	216,387
Current portion:	
- Hire purchase and finance lease liabilities, repayment within one year	136
	<u>216,887</u>

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 period under review.

B11 Realised and unrealised losses disclosure

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

	As at 31-Dec-16 RM'000	As at 31-Dec-15 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised accumulated losses	(844,078)	N/A
- Unrealised retained profits	(309)	N/A
Consolidation adjustments	409,318	N/A
Total Group accumulated losses	<u>(435,069)</u>	<u>N/A</u>

B12 Earnings per sharea) **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-16	31-Dec-15	31-Dec-16	31-Dec-15
Profit attributable to ordinary equity holders of the Company (RM'000)	1,245	N/A	71,465	N/A
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000)	690,409	N/A	690,409	N/A
Basic earning per share (sen)	<u>0.2</u>	<u>N/A</u>	<u>10.4</u>	<u>N/A</u>

B13 Profit for the Period

	3 months period ended		12 months period ended	
	31-Dec-16 RM'000	31-Dec-15 RM'000	31-Dec-16 RM'000	31-Dec-15 RM'000
Profit for the period is arrived at after charging :				
Amortisation of :				
- development cost	-	N/A	2,013	N/A
Depreciation of plant and equipment	410	N/A	1,433	N/A
Impairment loss on trade receivables	(90)	N/A	235	N/A
Impairment of goodwill on acquisition	-	N/A	5,799	N/A
Impairment of development costs and intangible-intellectual property	-	N/A	6,778	N/A
Rental of premises	348	N/A	1,149	N/A
Loss/(Gain) on foreign exchange				
- realised	(2,929)	N/A	(2,672)	N/A
- unrealised	(1,521)	N/A	309	N/A
Staff costs:				
- defined contribution plan	310	N/A	934	N/A
- salaries and other benefits	4,503	N/A	18,227	N/A
Interest expense:				
- hire purchase	4	N/A	10	N/A
- Exchangeable Medium Term Notes	4,157	N/A	16,071	N/A
- other interest expenses	110	N/A	291	
and after crediting :				
Gain on dilution of interest in associate	-	N/A	49,392	N/A
Gain on fair value of long term investment on reclassification from interest in associate	-	N/A	98,247	N/A
Interest income	561	N/A	1,516	N/A

Note: No comparison is provided due to the previous financial period ended 31 December 2015 comprises result for 18 financial months.

B14 Comparative Figure

There were no comparative figures for this quarter ended 31 December 2016 following the Company's change of previous financial year end from 30 June to 31 December. Enclosed herewith the quarterly financial results for the period ended 31 December 2015 marked as "Appendix A" for your reference.

B15 Authorisation for issue

The interim financial statements were authorised on 27 February 2017 for issue by the Board of Directors.