

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2017

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		9 Months Period Ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM '000	RM '000	RM '000	RM '000
Revenue	97,160	91,452	259,179	256,596
Operating expenses				
-Depreciation & amortisation	(821)	(11,354)	(2,294)	(15,614)
-Other operating costs	(96,866)	(90,210)	(257,781)	(248,169)
Other income	220	669	763	(223)
(Loss)/Profit from operations	(307)	(9,443)	(133)	(7,410)
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	-	98,247
Share of gain/(losses) in associate companies	(564)	(243)	(1,416)	(56,082)
Finance costs	(5,029)	(4,148)	(13,096)	(12,101)
(Loss)/Profit before tax	(5,900)	84,413	(14,645)	72,045
Income tax expense	611	(882)	385	(1,829)
(Loss)/Profit for the period	(5,289)	83,531	(14,260)	70,215
Foreign currency translation differences for foreign operations	(2,263)	984	(4,381)	(3,779)
Total other comprehensive (expenses)/income for the period	(2,263)	984	(4,381)	(3,779)
Total comprehensive (loss)/profit for the period	(7,553)	84,515	(18,641)	66,435
(Loss)/Profit attributable to:				
Owners of the Company	(5,199)	83,536	(13,998)	70,220
Non-controlling interests	(91)	(5)	(262)	(5)
(Loss)/Profit for the Period	(5,289)	83,531	(14,260)	70,215
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	(7,462)	84,521	(18,379)	66,440
Non-controlling interests	(91)	(5)	(262)	(5)
Total comprehensive (loss)/profit for the period	(7,553)	84,515	(18,641)	66,435
Basic earning per ordinary share (sen):	(0.7)	12.1	(1.9)	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)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	As at 30/09/2017 (Unaudited) RM '000	As at 31/12/2016 (Audited) RM '000
ASSETS		
Investment in associates	46,971	17,472
Property, plant and equipment	7,168	4,731
Other long term investments	209,623	209,623
Goodwill on acquisition	9,131	-
Development costs	5,940	652
Total non-current assets	278,833	232,478
Inventories	2,876	800
Trade receivables	35,682	141,076
Other receivables, deposits and prepayments	17,966	23,865
Tax recoverable	2,454	-
Fixed deposits with licensed banks	24,424	28,149
Cash and bank balances	34,402	34,257
Total current assets	117,804	228,147
TOTAL ASSETS	396,637	460,625
EQUITY		
Share capital	156,182	138,089
Reserves	(26,717)	(8,035)
Total equity attributable to owners of the Company	129,465	130,054
Non-controlling interests	911	88
Total equity	130,376	130,142
LIABILITIES		
Long term borrowings	229,976	216,387
Hire purchase and finance lease liabilities	274	364
Deferred tax liabilities	-	86
Total non-current liabilities	230,250	216,837
Trade payables	15,432	89,504
Other payables and accruals	20,443	23,256
Amount owing to related parties	-	456
Provision for taxation	-	294
Hire purchase and finance lease liabilities	136	136
Total current liabilities	36,011	113,646
TOTAL LIABILITIES	266,261	330,483
TOTAL EQUITY AND LIABILITIES	396,637	460,625
Net asset per share attributable to ordinary equity holders of the parent (sen)	18	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)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	-----Attributable to owners of the Company -----							Total Equity
	Non-Distributable					Sub-total	Non- controlling Interests	
	Shares Capital	Share Premium	Foreign Exchange Translation Reserve	Treasury Shares	Accumulate d Losses			
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)
Foreign currency translation differences for foreign operations	-	-	(4,381)	-	-	(4,381)	-	(4,381)
Acquisition of non-controlling interest	-	-	-	-	-	-	1,085	1,085
Loss for the period	-	-	-	-	(13,998)	(13,998)	(262)	(14,260)
	18,093	(302)	(4,381)	-	(13,998)	(589)	823	234
At 30 September 2017	156,182	412,494	4,274	(12,217)	(431,268)	129,465	911	130,376

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 30 SEPTEMBER 2016

	-----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	RM '000	RM '000	
<i>Unaudited</i>									
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	-	-	(3,779)	-	-	-	(3,779)	-	(3,779)
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	-	-	-	-	-	70,220	70,220	(5)	70,215
	-	-	(3,779)	-	-	70,220	66,441	(5)	66,436
At 30 September 2016	138,089	412,796	2,861	(11,389)	18,577	(436,314)	124,620	107	124,727

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

GREEN PACKET BERHAD (534942-H)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Financial period ended	
	30/09/2017	30/09/2016
	RM'000	RM'000
	(Unaudited)	(Unaudited)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(14,645)	72,045
Adjustments for non cash items:-		
Amortisation of development cost	146	1,012
Amortisation of intellectual property	-	1,001
Depreciation of property, plant and equipment	1,358	1,022
Development costs written off	-	4,601
Goodwill written off	-	5,799
Impairment loss on trade receivables	-	325
Interest income	(570)	(956)
Interest expense	12,878	11,914
Intangible-intellectual property written off	-	890
Share of loss of associates	1,416	56,083
Gain on dilution/fair value gains	-	(147,639)
Operating profit/(loss) before working capital changes	583	6,098
Changes in working capital		
(Increase)/Decrease in inventories	(2,076)	13,648
(Increase)/Decrease in assets	112,492	(37,522)
Increase/(Decrease) in liabilities	(78,744)	10,815
Increase/(Decrease) in amount owing by associate	-	24,079
Cash from operating activities	32,255	17,117
Interest received	570	956
Tax paid	(2,471)	(3,150)
Net cash from operating activities	30,354	14,923
CASH FLOW FOR INVESTING ACTIVITIES		
Acquisition of subsidiary	(9,869)	-
Cash from investing subsidiary	1,905	-
Purchase of other investment	(30,915)	(18,250)
Purchase of property, plant and equipment	(2,192)	(1,309)
Development costs incurred	(5,434)	-
(Advance to)/Repayment from related companies	(456)	(772)
Net cash for investing activities	(46,961)	(20,331)
CASH FLOW FOR FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares (net of expenses)	17,790	7,090
Net drawdown/(repayment) of borrowings	(280)	-
Net drawdown of fixed deposit pledged to a licensed bank	3,362	-
Repayment of hire purchase obligations	(102)	(12)
Drawdown from hire purchase	-	472
Net cash from/(for) financing activities	20,770	7,550
Net increase/(decrease) in cash and cash equivalents	4,163	2,141
Foreign exchange translation differences	(4,381)	(3,779)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	49,075	59,031
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	48,857	57,393
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	34,402	24,163
Fixed deposit with licensed bank	24,424	38,745
Fixed deposit pledged with licensed bank	58,826	62,908
	(9,969)	(5,515)
	48,857	57,393

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 PERIOD ENDED 30 SEPTEMBER 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 period 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 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 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 period under review.

A9 Segmental information

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

Results for the financial period ended 30 September 2017	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	-	76,475	76,475
Communication Services	300	181,581	181,881
E-Services	823	-	823
	<u>1,123</u>	<u>258,056</u>	<u>259,179</u>
Results			
Software and Devices	-	2,127	2,127
Communication Services	(11)	3,020	3,009
E-Services	(4,650)	-	(4,650)
Investment Holding	(1,189)	-	(1,189)
	<u>(5,850)</u>	<u>5,147</u>	<u>(703)</u>
Finance costs			(13,096)
Finance income			570
			<u>(13,229)</u>
Share of net loss of associate			(1,416)
(Loss)/Profit before taxation			<u>(14,645)</u>
Income tax expense			385
(Loss)/Profit after taxation			<u>(14,260)</u>
Non-controlling interests			262
(Loss)/Profit after taxation & non-controlling interests			<u>(13,998)</u>

Results for the financial period ended 30 September 2016	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	16,898	66,219	83,118
Communication Services	141	173,337	173,478
	<u>17,039</u>	<u>239,556</u>	<u>256,596</u>
Results			
Software and Devices	(1,863)	922	(941)
Communication Services	19	5,133	5,153
	<u>(1,844)</u>	<u>6,055</u>	<u>4,212</u>
Finance costs			(12,101)
Finance income			956
			<u>(6,933)</u>
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			(56,083)
Impairment of goodwill on acquisition			(5,799)
Impairment of development cost and intangible-intellectual property			(6,779)
Profit before taxation			<u>72,045</u>
Income tax expense			(1,829)
Profit after taxation			<u>70,215</u>
Non-controlling interests			5
Profit after taxation & Non-controlling interests			<u>70,220</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 30 September 2017 except as follow :

- (i) On 17 July 2017, the Company's wholly-owned subsidiary, Packet Interactive Sdn Bhd ("PISB") had acquired Mobiduu Solutions Sdn Bhd ("Mobiduu") for a total cash purchase price of RM4.0 million. Mobiduu is a wholly-owned subsidiary company of the Group.
- (ii) On 28 July 2017, Inova Venture Pte Ltd, a 71% subsidiary company of the Group was under voluntarily winding up. It ceased to be a subsidiary company with the Group.
- (iii) On 7 September 2017, the Company's wholly owned subsidiary, Kiple Media Sdn Bhd was incorporated.
- (iv) On 8 September 2017, the Company acquired additional 41.25 million provisional allotment rights ("PAL") under the Rights Issue of G3 Global Berhad ("G3") for a total consideration of RM4.125 million. Subsequently on 25 September 2017, the Company subscribed to a total of 101.75 million G3 Global Shares consisting of 60.5 million of its Rights Issue entitlement and 41.25 million PAL at RM0.20 per share for a total consideration of RM20.35 million. On completion of the Rights Issue of G3 , the Company equity interest in G3 has increased from 22% to 32%.

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

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

	3 months period ended		% Change	9 months period ended		% Change
	30-Sep-17 RM million	30-Sep-16 RM million		30-Sep-17 RM million	30-Sep-16 RM million	
Revenue	97.16	91.45	6%	259.18	256.60	1%
Operating Profit	(0.31)	2.25	-114%	(0.13)	3.34	-104%
EBITDA	0.51	3.06	-83%	2.16	9.35	-77%
Profit/(Loss) Before Tax	(5.90)	82.65	-107%	(14.65)	72.05	-120%
Profit/(Loss) After Tax	(5.29)	83.53	-106%	(14.26)	70.22	-120%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(5.20)	83.54	-106%	(14.00)	70.22	-120%

Group's Financial Performance and Segmental Analysis:-

Total revenue, EBITDA and loss after tax ("LAT") of the Group stands at approximately RM97.16 million, RM0.51 million and (RM5.29) million respectively for the current financial quarter ended at 30 September 2017 ("3Q17").

Total revenue, EBITDA and loss after tax ("LAT") of the Group stands at approximately RM259.18 million, RM2.16 million and (RM14.26) million respectively for the current financial period ended at 30 September 2017 ("3P16").

Revenue contribution comprises the following:-

	3 months period ended		% Change	9 months period ended		% Change
	30-Sep-17 RM million	30-Sep-16 RM million		30-Sep-17 RM million	30-Sep-16 RM million	
Software and Devices	23.81	31.49	-24%	76.47	83.12	-8%
Communication Services	73.09	59.96	22%	181.88	173.48	5%
E-Services	0.26	-	100%	0.82	-	100%
Total	97.16	91.45	6%	259.18	256.60	1%

- Software and Devices business registered 24% lower sales in the current quarter compared to year on year basis mainly due to lower devices shipment to major customers in ASEAN, which was mitigated by increase shipment to Middle East's customers in the current 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.

EBITDA comprises the following:-

	3 months period ended		% Change	9 months period ended		% Change
	30-Sep-17 RM million	30-Sep-16 RM million		30-Sep-17 RM million	30-Sep-16 RM million	
Software and Devices	0.43	0.65	-33%	2.24	3.39	-34%
Communication Services	2.05	2.41	-15%	3.86	5.96	-35%
E-Services	(1.45)	-	-100%	(3.56)	-	-100%
Investment Holding	(0.52)	-	-100%	(0.40)	-	-100%
Total	0.51	3.06	-83%	2.16	9.35	-77%

EBITDA of RM0.51 million in the current quarter decreased by 83% compared to year on year mainly due to initial business development costs incurred for the new E-Services business, lower sales from the Software and Devices business and lower gross profits margin from the communication services business.

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

	3 months period ended		% Change	9 months period ended		% Change
	30-Sep-17 RM million	30-Sep-16 RM million		30-Sep-17 RM million	30-Sep-16 RM million	
Software and Devices	0.32	0.51	-36%	1.86	(0.75)	348%
Communication Services	1.26	1.74	-28%	2.44	4.09	-40%
E-Services	(1.86)	-	-100%	(4.59)	-	-100%
Investment Holding	0.58	-	100%	0.53	-	100%
Finance costs*	0.30	2.25	-86%	0.24	3.34	-93%
Gain on dilution of interest in associate	(5.03)	(4.15)	-21%	(13.10)	(12.10)	-8%
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%	-	98.25	-100%
Impairment of development costs and intangible-intellectual property	-	(5.80)	100%	-	(5.80)	100%
Share of loss of associate	-	(6.78)	100%	-	(6.78)	100%
Share of loss of associate	(0.56)	(0.24)	-135%	(1.42)	(56.08)	97%
Total	(5.29)	83.53	-106%	(14.26)	70.22	-120%

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

The loss after tax of RM5.29 million in the current quarter was mainly due to initial business development costs incurred for the new E-Services business and finance costs accrued from the Exchangeable Medium Term Notes which was offset by the positive earnings from the Software and Devices and Communication Services business. In addition to that, the substantial profit after tax in the previous year corresponding quarter was due to the fair value gains on reclassification from interest in associate to long term investment of RM98.25 million.

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>30-Sep-17</u>	<u>30-Jun-17</u>	
	RM million	RM million	
Revenue	97.16	82.69	17%
Operating Profit	(0.31)	1.00	-131%
EBITDA	0.51	1.77	-71%
Loss Before Tax	(5.90)	(3.19)	-85%
Loss After Tax	(5.29)	(3.58)	-48%
Loss Attributable to Ordinary Equity Holders of the Parent	(5.20)	(3.50)	-48%

Total revenue and loss after tax ("LAT") of the Group for the current financial quarter ended 30 September 2017 ("3Q17") were RM97.16 million and (RM5.29) million respectively as compared to the revenue and LAT of the Group for the previous preceding financial quarter ended at 30 June 2017 ("2Q17") of RM82.69 million and (RM3.58) million respectively.

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	3 months period ended		% Change
	<u>30-Sep-17</u>	<u>30-Jun-17</u>	
	RM million	RM million	
Software and Devices	23.81	27.38	-13%
Communication Services	73.09	55.04	33%
E-Services	0.26	0.28	0%
Total	97.16	82.69	17%

Overall, revenue for current quarter was 17% higher compared to the previous quarter mainly due to higher sales from the Communication Services business.

EBITDA comprises the following:-

	3 months period ended		% Change
	<u>30-Sep-17</u>	<u>30-Jun-17</u>	
	RM million	RM million	
Software and Devices	0.43	1.38	-69%
Communication Services	2.05	1.36	50%
E-Services	(1.45)	(1.08)	-33%
Investment Holding	(0.52)	0.11	-578%
Total	0.51	1.77	-71%

EBITDA of RM0.51 million in the current quarter was lower as compared with the preceding quarter mainly due to initial business development costs incurred for the new E-Services business and lower sales from Software and Devices business. The Communication Services registered a significant improvement in EBITDA mainly due to recovery in its gross profit margin in the current quarter.

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

	3 months period ended		% Change
	<u>30-Sep-17</u>	<u>30-Jun-17</u>	
	RM million	RM million	
Software and Devices	0.32	1.14	-72%
Communication Services	1.26	0.86	47%
E-Services	(1.86)	(1.43)	-30%
Investment Holding	0.58	0.04	1349%
Finance costs*	0.30	0.61	-50%
Share of loss of associate	(5.03)	(4.06)	-24%
	(0.56)	(0.13)	-347%
Total	(5.29)	(3.58)	48%

*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 e-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.

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 30-Sep-17 RM'000
Current year tax expense	(385)

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	4,000	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	13,097	

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 30 September 2017		
	Non-current RM '000	Current RM '000	Total RM '000
Secured:			
- Exchangeable medium term notes	229,221	-	229,221
- Term loan	559	196	755
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	274	136	410
Total	230,054	332	230,386

	As at 30 September 2016		
	Non-current RM '000	Current RM '000	Total RM '000
Secured:			
- Exchangeable medium term notes	212,230	-	212,230
- Hire purchases creditors, which are denominated in Ringgit Malaysia.	394	136	530
Total	212,624	136	212,760

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 30-Sep-17 RM'000	As at 30-Sep-16 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised accumulated losses	(883,561)	(693,207)
- Unrealised retained profit/(loss)	334	(1,830)
Consolidation adjustments	451,960	258,723
Total Group accumulated losses	(431,268)	(436,314)

B12 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		9 months period ended	
	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(5,199)	83,536	(13,998)	70,220
Weighted average numbers of ordinary shares in issue of RM0.20 par each ('000)	731,006	690,409	731,006	690,409
Basic earning per share (sen)	(0.7)	12.1	(1.9)	10.2

B13 Profit/(Loss) for the Period

	3 months period ended		9 months period ended	
	<u>30-Sep-17</u>	<u>30-Sep-16</u>	<u>30-Sep-17</u>	<u>30-Sep-16</u>
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period is arrived at after charging :				
Amortisation of :				
- development cost	99	-	146	2,920
- intellectual property	-	334	-	1,001
Depreciation of plant and equipment	445	350	1,358	1,022
Impairment loss on trade receivables	-	145	-	325
Impairment of goodwill on acquisition	-	5,799	-	5,799
Impairment of development costs and intangible-intellectual property	-	6,779	-	6,779
Rental of premises	241	353	974	801
Loss/(Gain) on foreign exchange				
- realised	(1,043)	220	(1,105)	257
- unrealised	(687)	189	(147)	1,830
Staff costs:				
- defined contribution plan	442	278	1,113	624
- salaries and other benefits	5,528	5,154	16,106	13,724
Interest expense:				
- hire purchase	4	4	12	6
- exchangeable medium term notes	5,025	4,144	13,084	12,095
and after crediting :				
Gain on dilution of subsidiaries	-	-	-	49,392
Gain on fair value of long term investment on reclassification from interest in associate	-	98,247	-	98,247
Interest income	166	261	570	956

B14 Authorisation for issue

The interim financial statements were authorised on 29 November 2017 for issue by the Board of Directors.