ANNUAL REPORT 2009

1 DECADE OF **ASPIRATIONS,** COMMITMENTS & **ACHIEVEMENTS**

greenpacket

always best connected

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Form of Proxy

Vision

To be a visionary global leader in delivering best connectivity to enrich lives.

We set out to be an inspiring international brand and company offering high value and beneficial products, solutions and services through our two synergistic business pillars of Solutions and Converged Communications Services. To fulfill our mission, we will continuously:

- Innovate to meet the current and future needs of our customers; and commit to the culture of service excellence
- Deliver our value proposition to the international marketplace
- Develop, engage and appreciate our people
- Adopt organizational best practices
- Generate sustained growth and fair shareholder returns
- Be a responsible and active corporate citizen

Mission

About

greenpacket

always best connected

Green Packet Berhad (Green Packet) is an international information technology and communications company founded in Silicon Valley, California. In 2000, Green Packet established a regional Research and Development (R&D) and marketing centre in Malaysia; a strategic location and gateway to the new major economies in ASEAN - Greater China, India and Indonesia.

Today, **Green Packet** is headquartered near Malaysia's robust capital city Kuala Lumpur, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

Over the years, the Company has evolved to be recognised as a leading player in Next Generation mobile broadband and networking solutions with a growing force of over 1,200 employees.

Its exceptional range of revolutionary communications products and services enjoy great success in key regions around the world, namely, Southeast Asia and Oceania, Middle East and Africa and Greater China.

Green Packet's subsidiary company and 4G WiMAX Telecommunications Company (Telco), Packet One Networks (Malaysia) Sdn Bhd better known as P1, is the first in Malaysia and the Asia Pacific to commercially deploy 802.16e 2.3GHz WiMAX. It is also the second largest WiMAX Telco in 802.16e 2.3GHz.

As a testament to **Green Packet's** proven track record, its list of international business clients comprises major Telcos and leading technology firms. These include Datak Telecom (Iran), Globe Telecom, Inc. (Philippines), Craig Wireless Systems Ltd. (Canada), PCCW Limited (Hong Kong) and Vividwireless (Australia).

Green Packet regional sales and marketing offices are located in the USA, Singapore, China, Taiwan, Australia, Bahrain, Thailand and Hong Kong. Its R&D centres are in the USA, Malaysia and China.

"10 Years of complementing lifestyles, enriching lives."

Our core business

Green Packet Berhad's (The Group's) products, solutions and services are developed to provide a seamless and unified platform to deliver multimedia communications and services regardless of the nature and availability of the backbone infrastructure.

The Group believes it presents a compelling business case to the entire wireless value chain - device manufacturers, service providers and end-consumers, for the implementation of pervasive wireless access. For the pervasive wireless access to be meaningful, customer needs and expectations for connectivity, mobility, security and their lifestyle requirements must be addressed – we lead the way by enabling:

Anytime, anywhere access,

Seamless integration of fixed, mobile, voice, and data networks, and

Relevant content to the user whenever they are available.

The Group fully harnesses the powerful synergy of our two core business pillars of Solutions and Converged Communications Services to deliver unique benefits to our wide-ranging customers.

Pillar 1: Solutions
Leading carrier-grade solutions and award winning consumer devices aimed at providing telecommunications companies (Telcos) and device manufacturers with new avenues to gain competitive advantage.

Pillar 2: Converged Communications Services
Services which span across connectivity, communications, and content & services: The pillar comprises 4G WIMAX Telco, Packet One Networks (Malaysia) Sdn Bhd; the Alternative Voice Services subsidiaries which provide discounted, MVNO, and wholesale voice services; and consulting arm, P1 WiMAX Global Services for WiMAX strategic business planning and go-to-market strategies.

"A powerful synergy to produce winning results..."

Pillar 1 : Solutions
Pillar 2 : Converged Communications Services

Solutions

Green Packet is committed to realising absolute freedom in wireless communications with our leading **carrier-grade solutions** and award-winning **consumer devices.** We constantly innovate to meet the challenging needs of global telecommunications companies (Telcos). Our range of products and solutions present them with new avenues and opportunities to fulfill advanced end-consumer demands, increase average revenue per use and build loyal relationships.

CARRIER SOLUTIONS

Green Packet's innovative range of carrier solutions are comprehensive and customisable. We offer telecommunications solutions in the fields of seamless mobility, services delivery platform and Internet Protocol (IP) surveillance.

Connection Manager

intouch

Intouch Connection Manager (ICM) is a unique solution that incorporates lifestyle functionality to basic connection management. It bridges communications services with entertainment on a single client. The Seamless Mobility feature on ICM enables users to automatically switch networks without any interruption to their connectivity and applications.

ICM addresses the critical need of today's users to have a simple and unified access to networks, devices and applications via one user-friendly and trendy interface.

Intouch Connection Manager (client component)

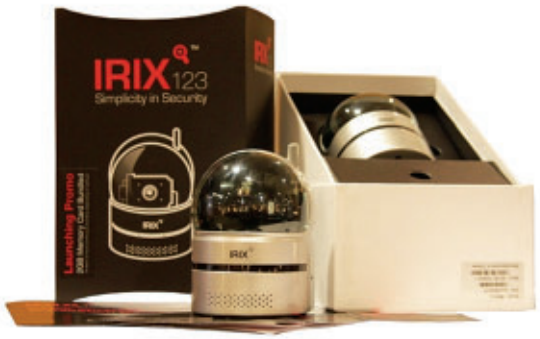
AppLauncher ▶
(client component)

Services Management Platform

infinit

Infinit Services Management Platform (ISMP) is a carrier-grade solution that enables Telcos to start an application store easily. With ISMP, Telcos can offer more engaging services, stay competitive and increase revenue through value-added-services (VAS) and applications. The platform centralises the management and hosting of all Telco services from applications to self-care.

The application store also addresses and accomodates the needs of other key stakeholders in the content ecosystem - the subscriber and content developer.



▲
IRIX123 Surveillance Camera
Simple 3-step 'do-it-yourself' installation.
Flexible with ease of relocating and adding cameras to the system.

DIY Surveillance System

IRIX123
Simplicity in Security

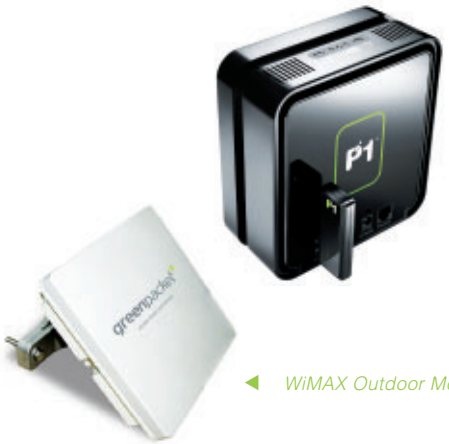
IRIX123 is a user-friendly, affordable and flexible surveillance system for small office and home users. It enables remote monitoring from anywhere via a connected computer or 3G/WiFi-enabled mobile handset.

"With instant connectivity, she is with her family and friends anytime, anywhere."

DEVICES

WiMAX Modems - Indoor, Outdoor, Mobile

Green Packet carries a comprehensive range of high performance modems with excellent radio frequency performance and high capacity downlink. Green Packet modems are plug-and-play and stylishly designed to complement the advanced lifestyle and aesthetic needs of the end-consumer.



◀ *DV230*

◀ *WiMAX Outdoor Modem*

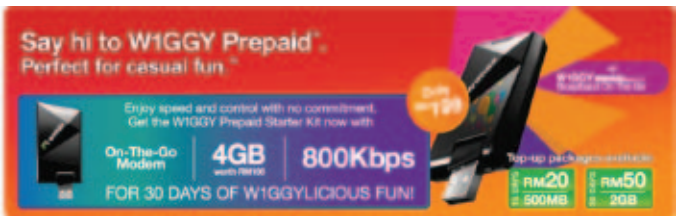
Packet One Networks (Malaysia) Sdn Bhd, better known as P1, is The Group's 4G WiMAX Telecommunications Company (Telco). In terms of WiMAX subscriber base, P1 is the largest in the Asia Pacific and the second largest in the world on 802.16e 2.3GHz with well over 140,000 subscribers (end 2009). It is a Board Member of the primary international WiMAX industry body, WiMAX Forum®.

In Malaysia, P1 is the first and leading 4G WiMAX Telco with the largest 4G WiMAX network and subscriber base. It is also the country's only 4G WiMAX Telco authorised to deploy WiMAX on a nation-wide basis.

P1 fulfills the full spectrum of Malaysia's broadband needs with its innovative and 'more-value-for-the-money' products and packages.

WIGGY 69
Affordable on-the-go WiMAX plan for only RM69 per month. Delivers the best performance in its class with average download speeds of 600 to 700kbps.

DV230
WiMAX modem that integrates WiFi and Voice to deliver truly wireless, hassle-free connectivity to multiple users with just one device and a single connection



Converged Communications Services

ALTERNATIVE SERVICE PROVIDERS

nxt networks	OKTEL	ONEVOIS
International Voice Wholesale	MVNO Voice	Discounted Voice

RUUMZ

ruumz is the first full-fledged social network in Malaysia. It is designed to fill the gaps in existing social networking sites with new user requirements and local context in mind. The key differentiator of ruumz is its ability to complement online content with real world service delivery. These include home delivery of photo prints from photos uploaded onto the site and its 24-hour Internet radio which allows for meaningful interaction. Via collaboration with multiple lifestyle brands, ruumz create online brand experiences that complement traditional media campaigns and on-ground events.

FROM 'LESSER-KNOWN' TO HOUSEHOLD BRAND

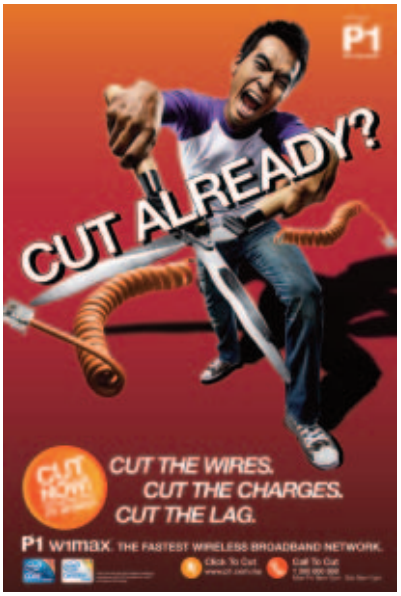
Key marketing communications highlights

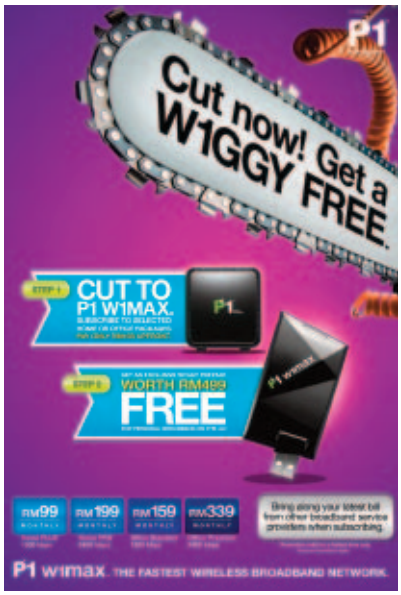
P1 Turned 1

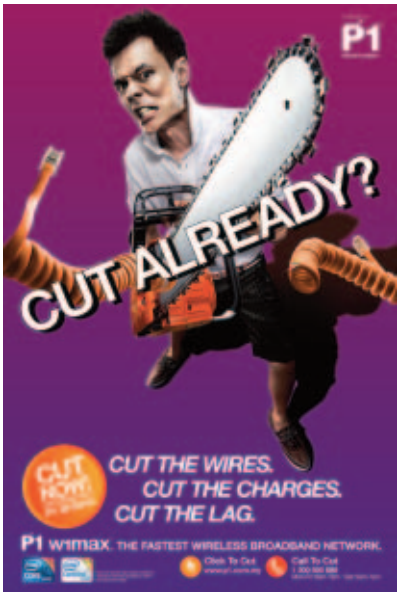
P1 announced its achievement of over 80,000 subscribers during its first anniversary in August 2009.

P1 Malaysian Filmmakers Showcase - 15Malaysia

A groundbreaking independent film collaboration with 15 of Malaysia's most talented independent filmmakers. At its peak, the 15Malaysia YouTube channel was amongst the world's top 10 most watched channels.







"Sudah Potong?" campaign

Corporate milestones '09

01
January

- Green Packet entered the Hong Kong market by securing a deal with PCCW Limited, one of Asia's leading information communications technology players, to provide Intouch Connection Manager.
- P1 launched Malaysia's first homegrown social networking site, ruumz (pronounced "rooms").

04
April

- Green Packet, supported by Packet One Networks and Alcatel-Lucent hosted the Live WiMAX Network Tour at WiMAX Forum Congress Asia 2009, Singapore. Delegates experienced full 4G WiMAX connectivity and coverage, as well as seamless mobility with auto hand-off switching across 4G WiMAX and WiFi networks.

04
April

- P1 launched full 4G WiMAX services in the state of Penang, Malaysia; and established P1 P1TSTOP, the first customer service and sales centre outside of the Klang Valley. P1 P1TSTOP in Penang is the one-stop customer service and sales centre for P1's northern region operations.
- P1 introduced W1GGY, its first Internet on-the-go product. W1GGY is Malaysia's most advanced USB modem featuring MIMO (Multiple In, Multiple Out) smart antenna technology supporting download speeds of up to 10Mbps.

05
May

- Green Packet won two prestigious TMC WiMAX Distinction 2009 awards for its D Series (WiMAX Indoor Modem) and U Series (WiMAX USB Modem), recognizing Green Packet's commitment to innovation in the WiMAX space.
- P1 launched 4G WiMAX services in Ipoh, Kuantan and Kuala Terengganu covering eight of the 14 states in Malaysia.

06
June

- Green Packet formed a strategic partnership with Beceem Communications, the leading provider of 4G chips, to introduce a portfolio of Green Packet's high-performance WiMAX USB dongles to the global WiMAX market.

07
July

- P1 launched W1GGY 69, the Iplan for only RM69 monthly.

08
August

- P1 celebrated its first anniversary and announced the 80,000 subscriber mark.
- P1 launched the P1 Malaysian Filmmakers Showcase-15Malaysia, a ground-breaking independent film collaboration with 15 talented Malaysian filmmakers.

09
September

- P1 launched the popular "Sudah Potong?" or "Cut Already?" advertising and promotion campaign.

10
October

- P1 received the green light from the Malaysian Communications and Multimedia Commission to provide 4G WiMAX services in the East Malaysia states of Sabah and Sarawak, making P1 the only nationwide 4G WiMAX Telco in Malaysia.

11
November

- Green Packet establishes foothold in Eurasia - secured three separate deals for the supply of its award-winning WiMAX modems with WiMAX Telcos; Maximali of Georgia, Intellecom of Ukraine and iCON Communications of Armenia.
- Green Packet launched IRIX 123, a 'do-it-yourself' IP-based surveillance system for small office and home use.
- P1 appointed to the Board of WiMAX Forum®, the first Malaysian and Southeast Asian WiMAX Telco to earn the honorable appointment.

12
December

- Green Packet unveiled its next generation Wave 2 compliant WiMAX Modems that support the 2.3, 2.5 and 3.5 GHz frequencies. The line-up includes 'Tower' (WiMAX IAD Modem) and 'Shuttle' (WiMAX High Gain USB Modem).
- Green Packet's momentum in Asia Pacific continues - secured WiMAX Modem deals with Vividwireless in Australia, Vee Telecom in Taiwan, and Globe Telecom in the Philippines.

Corporate Responsibility

We believe that corporate responsibility is part and parcel of our business and should be undertaken with the aim to enhance shareholder value. In 2009, Green Packet's corporate responsibility efforts take shape to close opportunity gaps for the business and our key stakeholders.

• Terry Fox Run 09

• Deeparaya 2009

• P1 Malaysian Filmmakers' Showcase - 15Malaysia

1. Service excellence.
2. Teamwork.
3. Reliability.
4. Innovation.
5. Passion

EMPLOYEE ENGAGEMENT

Employees of The Green Packet Group are referred to as Packeteers irregardless of the business unit or Group company that they work with. All Packeteers share the singular goal 'to be the visionary global leader providing best connectivity to enrich lives.' Our five employee core values ensure that all Packeteers, as they go about delivering business goals, do so to the same beat and in the spirit of togetherness. These values are Service Excellence, Teamwork, Reliability, Innovation and Passion or STRIP in short.

With a growing team of over 1,200 employees, it is imperative that Green Packet aligns employees to our vision, values, and business goals through robust and open communication.

The communication tools that we employ include:

PacketNet, The Group's intranet portal, which in 2009 was upgraded to enable more efficient facilitation of daily administrative tasks, robust knowledge sharing, and effective employee engagement.

Face-to-face sessions which comprises Quarterly Team Meets, Group CEO Star Luncheons, 'Teh Tarik' sessions, and Monday Socials.

Information updates on key corporate developments and activities via the email announcement platform, memo boards, and internal e-newsletter.

Various other staple avenues are available for employees to interact with their peers and engage with Management. These include Idea Hub and 'speak out' boxes which draws employees' feedback and ideas to improve the organisation and make every employee feel an integral part of The Group.

In October 2009, The Group conducted its second independently administered Employee Engagement Survey. The survey to garner employees' feedback on the organisation recorded an impressive 87% response rate in line with a highly engaged workforce. Key areas of concern identified are addressed and tracked by the Management over the following year of each survey.

CAPABILITY BUILDING

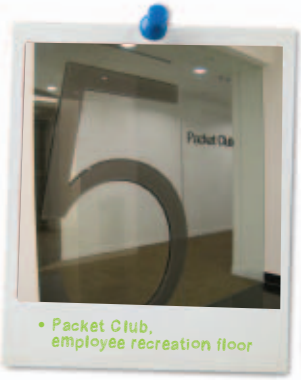
Being at the forefront of Next Generation technology and a challenger in the fields which we compete, employees of The Group must continuously adapt and up-skill to meet the demands of the business.

The Group's dedicated Learning & Development Department, which is tasked to enhance the capability of our talent pool, makes available numerous employee training programs based on individual needs. Further, The Group in 2009, invested in building the in-house online training and knowledge portal, GP Beyond. The portal allows employees to select the training program of their choice and complete it at their own pace online. This initiative empowers employees to take learning into their own hands.

A GREAT WORKPLACE

The Group appreciates the common observation that a-third of an individual's lifetime is spent at work. We also believe that 'fun' is an essential ingredient for producing excellent and innovative work. As such, we go to great lengths to make our workplace environment fun and enjoyable for our employees.

• P1 Expert Net on January 2010



• Packet Club, employee recreation floor

PACKET CLUB

a dedicated recreation floor where numerous fun and healthy lifestyle activities take place. These include pool and foosball table games, game consoles, gym, and Yoga and martial art classes,

• Gym at Packet Club

PHILANTHROPY

The Group believes that our philanthropic efforts enable our young and energetic workforce to undertake social services and contribute to meaningful causes. In 2009, helmed by The Group's Sports & Social Club, numerous activities were organised. These include:

- The 'Give the Gift of Life' blood donation campaign jointly organised with University of Malaya Medical Centre.
- 'Deepa-raya' festive gathering with 68 orphaned and underprivileged students from Yayasan Anak Yatim Port Dickson and Agathian Shelter.
- Participation in the Terry Fox Run for the second consecutive year, an initiative to raise awareness and funds for cancer research. The Group sponsored the entry fee of all participating employees.

COMMUNITY

In support of the Government's push for 50% household broadband penetration by end of 2010, Packet One Networks (Malaysia) Sdn Bhd (P1) launched numerous programs under its "Broadband for All" banner.

These include the establishment of the proof-of-concept P1 Community Broadband Centre (CBC) in the rural Federal Land Development Authority (FELDA) settlement of Chini Timur, Pahang on March 2009.

The P1 CBC is the first community broadband centre anchored on the 4G WiMAX technology. The aim of the P1 CBC is to bridge the digital divide by bringing high speed wireless broadband to the FELDA community. At the same time, P1 promotes broadband adoption with on-going initiatives that help create value for broadband usage among the local community. The P1 CBC also acts as a 'knowledge capture' site to improve on future deployments and programs to similar rural communities.

In August 2009, P1 further collaborated with MIMOS Bhd to deploy user-friendly icon-based devices to homes in FELDA Chini Timur. The MIMOS Jen-ii and MIMOS WiWi devices with simple computing functions enabled a selected group of senior citizens to access content on the Internet with three easy mouse clicks from the comfort of their own homes. This collaboration presented a unique opportunity for P1 and MIMOS to study the impact of high speed wireless 4G WiMAX connectivity and user-friendly devices to promote broadband adoption in rural communities.

To promote a future generation well-versed in the fields of communications and information technology, P1, in August 2009, sponsored 4G WiMAX connection to Vivekananda, a vernacular primary school in Petaling Jaya, to facilitate its computer classes. P1 constantly hosts educational field trips to Packet Hub (The Group's head office) to enable school-going children to learn more about Next Generation technology such as 4G WiMAX, how products are created, and how a fast growing Telco operates.

P1 Malaysian Filmmakers Showcase – 15Malaysia

P1 believes that nurturing new creative voices is essential to the development of local content which in turn, promotes broadband adoption. As a passionate Malaysian consumer brand, P1 is also keen to play a role in nation building and in supporting the '1Malaysia' spirit. Its sponsorship of the P1 Malaysian Filmmakers Showcase - 15Malaysia in August enabled it to do both while building a highly differentiated brand. 15Malaysia is a short film project by 15 talented and mostly lesser-known Malaysian filmmakers. The showcase deals with pertinent socio-political issues in Malaysia, and features some of the best-known faces in the country, including actors, musicians and top political leaders.

P1 Expert Net

The P1 Expert Net forum unites academia, private and public sector for the common goal to share knowledge and exchange ideas on how to fast-track the adoption of communications and information technology throughout Malaysia. P1 Expert Net supports the Government's agenda of expanding broadband adoption especially within rural and underserved communities.

ruumzcauses

ruumz, The Group's social networking platform launched 'ruumzcauses' in December 2009. The initiative empowers charitable organisations and marginalised communities in Malaysia to establish a web presence, create awareness for their causes, share information on their needs and activities, seek volunteers and receive micro-donations online at no cost.

ENVIRONMENT

The Group constantly runs employee education campaigns to promote energy conservation and to reduce our carbon footprint. Amongst the areas that we focus on are saving electricity, promoting a paperless environment, and reducing the number of vehicles on the road by encouraging car pooling and the use of public transportation. The Group provides shuttle services to and from public transportation hubs for our employees as part of this initiative.

Corporate Information

Board of Directors

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman
Chairman and Independent Non-Executive Director

Puan Chan Cheong
Group Managing Director and Chief Executive Officer

Nik Mat Bin Ismail
Executive Director and Vice President of Business Development

Tan Sri Dato' Kok Onn
Non-Executive Director

Ong Ju Yan
Non-Executive Director

Boey Tak Kong
Independent Non-Executive Director

Yousuf Mohamed Yaqub Khayat
Non-Executive Director

A. Shukor Bin S.A. Karim
Independent Non-Executive Director

Yee Chee Wai
(Alternate Director to Ong Ju Yan)

Audit Committee

Boey Tak Kong
Chairman

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman

A. Shukor Bin S.A. Karim

Nomination Committee

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman
Chairman

Boey Tak Kong

A. Shukor Bin S.A. Karim

Remuneration Committee

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman
Chairman

Ong Ju Yan

Puan Chan Cheong

Board Tender Committee

Boey Tak Kong
Chairman

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman

A. Shukor Bin S.A. Karim

Puan Chan Cheong

Liew Kok Seong

Company Secretaries

Lim Ming Toong (MAICSA 7000281)
Ng Lai Yee (MAICSA 7031768)

Registered Office

10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Tel No. : 603.2382 4288
Fax No. : 603.2382 4170

Head/Management Office

Packet Hub
159, Jalan Templer
46050 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 603.7450 8888
Fax No. : 603.7450 8899

Share Registrar

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 603.7841 8000
Fax No. : 603.7841 8151/8152

Principal Bankers

HSBC Bank Malaysia Berhad
2 Leboh Ampang
50100 Kuala Lumpur

OCBC Bank (Malaysia) Berhad
22, 24 & 26 Jalan USJ 9/5N
47620 UEP Subang Jaya
Selangor Darul Ehsan

Auditors

Messrs Crowe Horwath
Chartered Accountants
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel No. : 603.2166.0000
Fax No. : 603.2166.1000

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Name : GPACKET
Stock Code : 0082

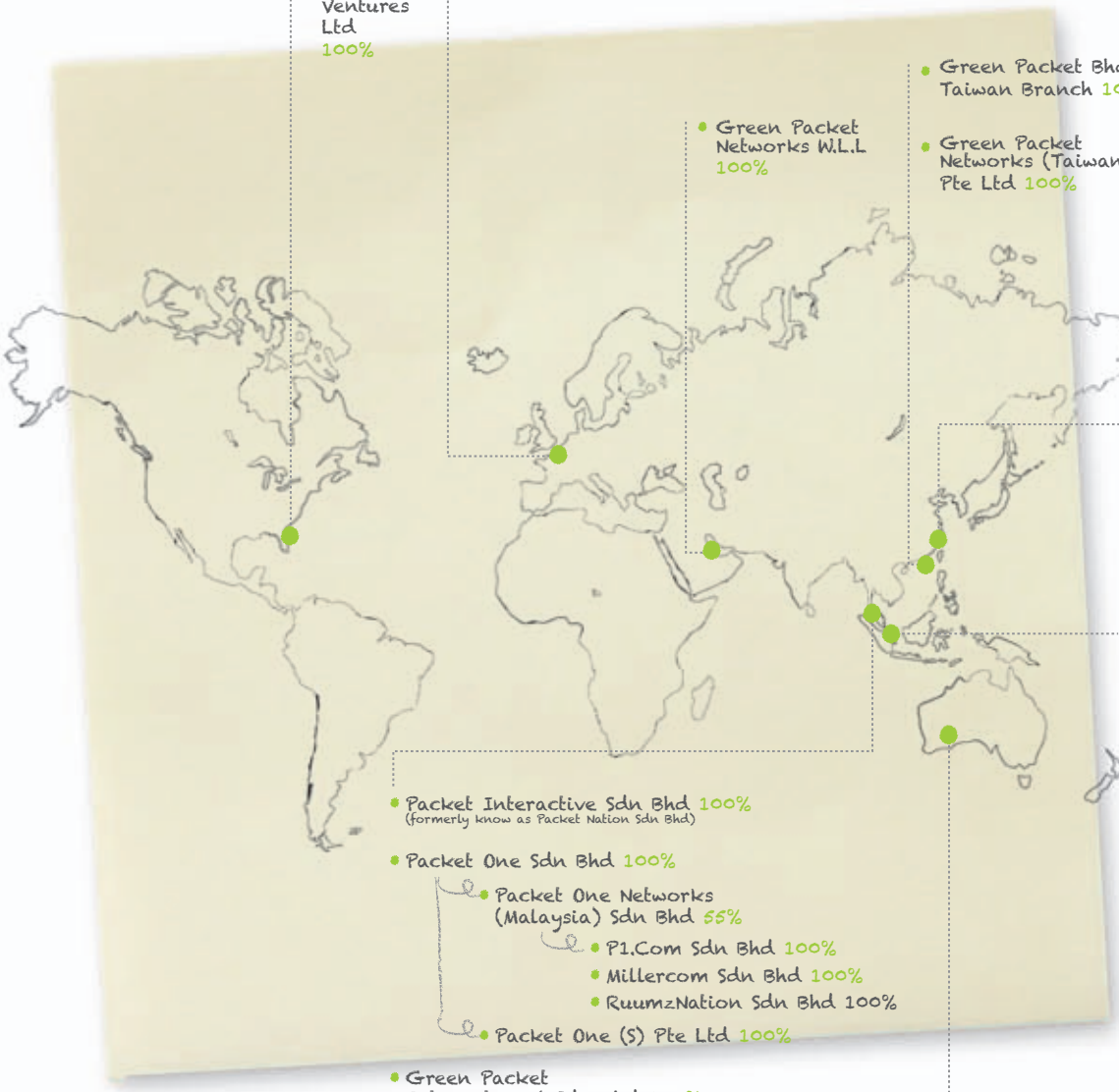
Web Site

www.greenpacket.com

Place Of Register Of Options Is Kept

Level 10, Packet Hub
159, Jalan Templer
46050 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 603.7450 8888
Fax No. : 603.7450 8899

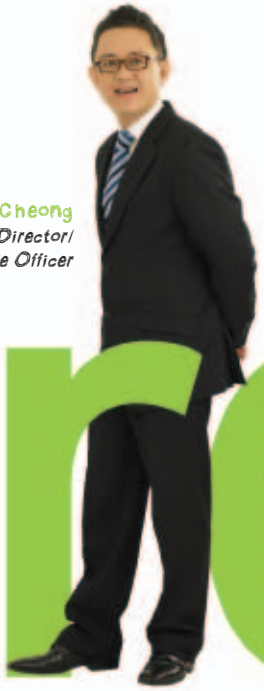
Corporate Structure



- GMO Global Limited 27.88%
  - MH Capital Inc 70%
    - MH Technology Limited 100%
  - Wisdom Choice Investment Co Limited 20%
- Green Packet Ventures Ltd 100%
- Green Packet Bhd Taiwan Branch 100%
- Green Packet Networks W.L.L 100%
- Green Packet Networks (Taiwan) Pte Ltd 100%
- Green Packet (Shanghai) Ltd 100%
- Green Packet Networks (Singapore) Pte Ltd 100%
  - Onevios Global Co. Ltd 33%
  - Onevios Communication Co. Ltd 40%
- Inova Venture Pte Ltd 71%
- Packet One International Pte Ltd 70%
- Packet Interactive Sdn Bhd 100% (formerly know as Packet Nation Sdn Bhd)
- Packet One Sdn Bhd 100%
  - Packet One Networks (Malaysia) Sdn Bhd 55%
    - P1.Com Sdn Bhd 100%
    - Millercom Sdn Bhd 100%
    - RuumzNation Sdn Bhd 100%
  - Packet One (S) Pte Ltd 100%
- Green Packet International Sdn Bhd 100%
- Green Packet (L) Ltd 100%
- Next Telecommucations Sdn Bhd 100%
- Next Global Technology Sdn Bhd 100%
  - NGT Networks Pte Ltd 100%
  - Onevois Sdn Bhd 100%
- First Wireless Sdn Bhd 70%
- Worldline Enterprise Sdn Bhd 100%
- Green Packet (Australia)Pty Ltd 100%

Board of Directors

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman
Chairman and Independent Non-Executive Director



Puan Chan Cheong
Group Managing Director/ Chief Executive Officer

Nik Mat Bin Ismail
Executive Director/ Vice President of Business Development

A. Shukor Bin S. A. Karim
Independent Non-Executive Director

ONG JU YAN
Non-Independent
Non-Executive Director

BOEY TAK KONG
Independent
Non- Executive Director

(left)
Yousuf Mohamed Yaqub Khayat
Non-Independent
Non- Executive Director

(right)
Yee Chee Wai, Patrick
Alternate Director to Ong Ju Yan

Tan Sri Dato' Kok Onn
Non-Independent
Non-Executive Director

Profile of Directors

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman

Chairman and Independent Non-Executive Director

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman, a Malaysian, aged 77, was appointed the Chairman and Independent Non-Executive Director of Green Packet Berhad ("the Company") on 25 June 2004. He is also the Chairman of the Remuneration Committee and the Nomination Committee and a member of the Audit Committee of the Company.

Tan Sri Omar started his professional career in 1960 in veterinary research after graduating in veterinary science from the University of Sydney and obtaining a Ph.D from the University of Cambridge. In 1972, he was appointed the Founding Dean of the Faculty of Veterinary Medicine and Animal Sciences and the first professor at the newly established Universiti Pertanian Malaysia (UPM), now University Putra Malaysia. He played a major role in the establishment phase of the university. His last position was as Deputy Vice Chancellor Academic Affairs.

In 1984, Tan Sri Omar was appointed to the new position of Science Advisor in the Prime Minister's Department. As Science Advisor, he served on a number of national committees and initiated many programmes for enhancing technology management, increasing funding for Research & Development and for commercialization of the results of research. He was the founder chairman of Technology Park Malaysia Corporation, the Malaysian Industry-Government Group for High Technology (MIGHT), Composite Technology (Research) Malaysia Sdn Bhd (CTRM) and Malaysian Technology Development Corporation (MTDC).

Tan Sri Omar is the founding and current chairman of the London-based Commonwealth Partnership for Technology Management Ltd (CPTM), Founding Fellow of the Islamic World Academy of Sciences, a Fellow of the Academy of Sciences for The Developing World (TWAS), an Honorary Fellow of the Academy of Science of Kyrgyzstan and the Founding President of the Academy of Sciences Malaysia. He was a member of the United Nations Advisory Committee on Science and Technology for Development, the Executive Committee for OIC Ministerial Standing Committee on Scientific and Technological Cooperation and of the UNESCO's International Scientific Council for Science and Technology Policy Development. He is also the current President of the Federation of Asian Scientific Academies and Societies (FASAS) and a member of UNESCO Committee on Ethics of Science and Technology (COMEST).

His directorships in other public companies include Kotra Industries Berhad, Great Wall Plastic Industries Berhad, OSK Ventures International Berhad and BCT Technology Berhad.

Tan Sri does not have any family relationship with any other directors or major shareholders of the Company, has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

Tan Sri attended all five (5) Board Meetings of the Company held during the financial year under review.

1

Puan Chan Cheong

Group Managing Director/
Chief Executive Officer

2

Nik Mat Bin Ismail

Executive Director/
Vice President of Business Development

3

Tan Sri Dato' Kok Onn

Non-Independent Non-Executive Director

1 **Puan Chan Cheong**, a Malaysian citizen aged 42, was appointed as a Chief Executive Officer of the Company on 1 November 2003. He is also a member of the Remuneration Committee of the Company.

Mr Puan is currently the Group Managing Director/Chief Executive Officer of Green Packet Berhad ("GPB"), a leader in Next Generation mobile broadband and networking products, solutions and services with presence in the United States of America ("USA"), Malaysia, Singapore, China, Taiwan, Australia, Bahrain, Thailand and Hong Kong. GPB via Packet One Networks (Malaysia) Sdn Bhd, its subsidiary and 4G WiMAX Telecommunications Company, is the first and largest WiMAX commercial service in the Asia Pacific in terms of subscriber base and the second largest in the world on 802.16e 2.3GHz.

A visionary and astute entrepreneur, Mr Puan led GPB to its listing on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 25 May 2005, and subsequently the Main Board of Bursa Securities on 18 July 2007. He is also the founder, Chief Executive Officer and President of Green Packet Inc. ("GPI") incorporated in the USA.

Mr Puan has more than 16 years of diversified business experience with a success track-record in consulting, developing and managing large-scale telecommunications, infrastructure and property projects internationally. His personal accolades include the coveted PIKOM's Technopreneur of the Year award.

Mr Puan is co-founder and sits on the board of GPB and GPI in the USA, Green Packet International Inc and Green Packet Holdings Ltd in the British Virgin Islands, as well as the IBI Group of companies in Malaysia.

He holds a Bachelor of Science in Business Administration and a Bachelor Degree in Management Information Systems & Finance from University of Nebraska-Lincoln, USA.

Mr Puan is an indirect major shareholder of the Company. He has no conflict of interest except for certain recurrent related party transactions of revenue or trading nature which are necessary for the day-to-day operations of the Green Packet Group. He has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.

Mr Puan attended all five (5) Board Meetings of the Company held during the financial year under review.

2 **Nik Mat Bin Ismail**, a Malaysian, aged 46, was appointed as the Executive Director of the Company on 3 September 2001.

Encik Nik is currently the Executive Director/Vice President of Business Development of the Company. He has more than 15 years experience in international business development, sales and marketing. He enjoys an extensive network of contacts within the Government, local businesses and public listed companies. Prior to joining the Company, he was the Group CEO and co-founder of the IBI Group of companies in Malaysia. He had first worked in the insurance industry as a senior executive with a global insurer before setting up the IBI Group. He also sits on the Board of Green Packet Networks W.L.L, Bahrain, a joint venture company between the Company and Saudi Economic & Development Co Ltd ("SEDCO") of Saudi Arabia. He does not hold any directorship in any other public company.

He graduated with a Bachelor of Science in Accounting from Utah State University, United States of America.

Encik Nik does not have any family relationship with any other directors or major shareholders of the Company, has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

Encik Nik attended four (4) out of the five (5) Board Meetings of the Company held during the financial year under review.

3 **Tan Sri Dato' Kok Onn**, a Malaysian, aged 59, was appointed as the Non-Independent Non-Executive Director of the Company on 15 December 2000.

Tan Sri Dato' Kok Onn is the Managing Director cum Chief Executive Officer of Gadang Holdings Berhad ("Gadang") a company listed on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") which was subsequently transferred to the Main Board of Bursa Securities on 24 December 2007. He is the Chairman of Gadang's Risk Management Committee and a member of the Remuneration and ESOS Committees. He has extensive experience and knowledge of the construction industry, having been involved with the industry for over 35 years in civil and engineering projects in Malaysia, China, Indonesia and the Middle East.

Prior to joining Gadang, he was the Group Chief Executive Officer of Bridgecon Holding Berhad ("Bridgecon"). Tan Sri Dato' Kok Onn was the person who transformed Bridgecon from a construction company to a group with activities involving property and resort development, toll expressway operations, manufacturing of ready-mixed concrete and quarrying.

Tan Sri Dato' Kok Onn is an indirect major shareholder of the Company. He has no conflict of interest except for certain recurrent related party transactions of revenue or trading nature which are necessary for the day-to-day operations of the Green Packet Group. He has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

Tan Sri Dato' Kok Onn attended four (4) of the five (5) Board Meetings of the Company held during the financial year under review.

4 Ong Ju Yan
Non-Independent Non-Executive Director

5 Boey Tak Kong
Independent Non-Executive Director

6 Yousuf Mohamed Yaqub Khayat
Non-Independent Non-Executive Director

4 Ong Ju Yan, a Malaysian, aged 31, was appointed as the Non-Independent Non-Executive Director of the Company on 3 April 2008. He is also a member of the Remuneration Committee of the Company.

Mr Ong was appointed as an Executive Director of OSK Ventures International Berhad on 28 August 2006.

He has been the Special Assistant to OSK Securities Berhad's (now known as OSK Investment Bank Berhad) Group Managing Director/CEO since May 2004. In January 2007, he has been re-designated as Director, Investment Banking & Special Assistant to Group Managing Director/CEO of OSK Investment Bank Berhad. His responsibilities cover various aspects of corporate strategy and he is actively involved in OSK Ventures International Berhad's operating activities, with a focus on investment banking, institutional equities and research.

He started his career in 2001 with Morgan Stanley & Co's Fixed Income Department in New York. In September 2002, he relocated to Morgan Stanleys's Singapore office, where he was responsible for covering the firm's Asia-Pacific clients for foreign exchange and interest rate products.

Mr Ong holds a B.A. in Economics from Yale University where he graduated Magna Cum Laude with Distinction, and is currently the Country Director of the Association of Yale Alumni for Malaysia.

Mr Ong is the son of Ong Leong Huat @ Wong Joo Hwa, an indirect major shareholder of the Company.

Mr Ong does not have any conflict of interest with the Company and he has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

Mr Ong attended all five (5) Board Meetings of the Company that were held during the financial year under review.

5 Boey Tak Kong, a Malaysian, aged 56, was appointed as the Independent Non-Executive Director of the Company on 11 March 2005. He is the Chairman of the Audit Committee and the Board Tender Committee, besides serving as a member of the Nomination Committee of the Company.

He has over 23 years of senior financial management, internal audit and overseas business development experience with six (6) major listed groups with listing in Malaysia, United Kingdom, Singapore, Australia and New Zealand. He has extensive expertise in developing and managing infrastructure projects in China, Vietnam, Cambodia, Indonesia and the Philippines.

He is currently the Managing Director of Terus Mesra Sdn Bhd, a strategic management and leadership training company. He is a regular speaker for the Continuous Education Programme for the Malaysian Institute of Accountants, Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants and the Institute of Internal Auditors Malaysia.

His directorships in other public companies include Dutch Lady Milk Industries Berhad, Sanbumi Holdings Berhad, IJM Land Berhad, Gadang Holdings Berhad and Permaju Industries Berhad.

He is a Fellow member of the Association of Chartered Certified Accountants, United Kingdom, Associate member of the Institute of Chartered Secretaries & Administrators, United Kingdom, Chartered Accountant of the Malaysian Institute of Accountants, Member of the Malaysian Institute of Management and Associate member of the Institute of Marketing Malaysia.

Mr Boey does not have any family relationship with any other directors or major shareholders of the Company, has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

He attended all the five (5) Board Meetings of the Company that were held during the financial year under review.

6 Yousuf Mohamed Yaqub Khayat, a Saudi, aged 53, was appointed as a Non-Independent Non-Executive Director of the Company on 11 October 2006.

Mr Khayat has over 28 years of diversified experience in the fields of banking and investment. He currently holds the position of Managing Director in the Direct Investment Group ("DIG") of Saudi Economic & Development Co Ltd ("SEDCO"), looking after the development and management of strategic equity investments in private companies in the Middle East and Africa ("MEA") and Southeast Asia. He is also a member of SEDCO's Management and Executive Committees.

7

A. Shukor Bin S.A. Karim

Independent Non-Executive Director

8

Yee Chee Wai

Alternate Director to Mr Ong Ju Yan

(continued)
Prior to joining SEDCO, Mr Khayat worked in various executive positions at Saudi American Bank (now SAMBA Financial Group) in Jeddah and London. His last position there was Division Head, Corporate Banking Group.

Mr Khayat also worked as an Executive Vice President at a private investment company in Jeddah, Saudi Arabia, focusing on private equity investments in the United States and Europe. He was a member of the Economic & Social Advisory Committee, Makkah Region Governorate and is a member of the American Management Association International. He is Chairman of the Board of Directors of CNA Integrated Technologies Pte Ltd, UAE and a member of the Boards of Gefung Holdings Berhad, Malaysia, Egypt Hydrocarbon Corporation and PSJI, a Mexico-based real estate development company.

Mr Khayat holds a Bachelor and Master's degrees in Business Economics from the University of California, Santa Barbara, and has attended various high level seminars and training programs, including the Columbia University Executive Education program.

Mr Khayat is a nominee director of PacificQuest, a major shareholder of the Company. He does not have any conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

Mr Khayat attended four (4) of the five (5) Board Meetings of the Company held during the financial year under review.

7 **A. Shukor Bin S.A. Karim**, a Malaysian, aged 54, was appointed as the Independent Non-Executive Director of the Company on 21 May 2008. He is also a member of the Audit Committee and the Nomination Committee of the Company.

Encik A. Shukor began his career with the Government of Malaysia, Statistics Department in 1979. He left to join Sapura Group in 1982 where he was one of the founding members of Sapura Information Technology (IT). He developed Sapura's IT business to be one of Malaysia's biggest IT company with more than 1,000 employees and revenues exceeding RM600million per annum in the late nineties with more than 20 subsidiaries involved in various aspects of the IT industry, from sales and distribution, systems integration to software development and IT education.

He was also directly involved in the setting up of the Asia Pacific Institute of Information Technology (APIT) which is today one of Malaysia's biggest IT education institute.

Encik A. Shukor was deeply involved in the development of the IT Industry in Malaysia and served as Chairman of Persatuan Industri Komputer Dan Multimedia, Malaysia ('PIKOM') from 1993 to 1995.

He graduated with a BSc (Hons) in Computation from the University of Manchester, Institute of Science and Technology.

Encik A. Shukor does not have any family relationship with any other directors or major shareholders of the Company, has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

Encik A. Shukor attended four (4) of the five (5) Board Meetings of the Company held during the financial year under review.

8 **Yee Chee Wai**, a Malaysian, aged 45, was appointed as the Alternate Director to Mr Ong Ju Yan on 3 April 2008.

Mr Yee is currently the Executive Director/Chief Operating Officer of OSK Ventures International Berhad. He has been an investment banker with various investment banks in Malaysia from June 1991 to year 2007. He began his career in the investment banking industry with Affin Investment Bank Berhad and his last posting in the industry before joining OSK Venture Equities Sdn Bhd in August 2007 was with Public Investment Bank Berhad, where he worked for more than six (6) years as General Manager. He began his career as an auditor with an international accounting firm based in Malaysia in 1984. He is a Chartered Accountant and a Certified Public Accountant.

His directorships in other public companies include OSK Ventures International Berhad, eBworx Berhad, mTouche Technology Berhad and Maxwell International Holdings Berhad.

Mr Yee is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

Mr Yee does not have any conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

INDUSTRY OVERVIEW

Overall for 2009, the information and communications technology (ICT) industry recorded moderate growth with curtailed spending as a result of the recession. With economic conditions improving globally (particularly in the USA), we believe the industry is headed for better times. PIKOM (the national ICT association of Malaysia) projects an encouraging 8% overall growth for Malaysia for 2010, mainly spurred by Government's spending to drive demand with incentives and tax breaks.

There is also a pent-up demand for ICT products, especially for hardware which in 2009 recorded a negative growth of 5%. This year, the industry expects a positive purchase cycle as many consumers and businesses move ahead on major purchase decisions to upgrade and acquire new equipments. We are confident that our continued aggressive rollout of 4G WiMAX, the implementation of high speed broadband (HSBB), and the Universal Service Provision funds and programs (to deploy broadband to underserved and rural areas) will rally the internet industry to experience new and healthy growth.

Message from the Chairman

Globally, WiMAX networks continue to expand despite the challenges of a slowly recovering economy. At the start of 2010, WiMAX networks cover more than 620 million potential subscribers in approximately 147 countries, and are on track to surpass the 800 million forecasted by the end of 2010. The WiMAX Forum® expects to surpass the projected one billion population coverage by end 2011 – approximately the time when competitive 4G technologies are expected to begin early commercialisation.

The increase in WiMAX consumer products will be a key driver of WiMAX growth in 2010. According to WiMAX Forum®, more than 178 mobile WiMAX products have already achieved certification in 2009, with 1,000 expected to be commercially available by 2011. The statistics demonstrate that the WiMAX ecosystem has strong momentum and will continue to meet the global market demand for high speed broadband access; especially in developing and emerging regions which are rapidly moving towards high speed broadband implementation.

On the software solutions front, spending is expected to grow by 10.2 per cent in Asia alone according to IT research and advisory firm, Gartner. We are heartened by this projected growth as we have a strong footing in this region.

Dear Shareholder,

On behalf of the Board of Directors, the management team and Green Packet Group employees, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2009.

FINANCIAL PERFORMANCE

The Full Year 2009 financial results is a reflection of The Group's proven business plan and strategy in growing the WiMAX opportunities in Malaysia and globally. The Group's year-on-year revenue had increased nearly threefold from RM87 million in 2008 to RM235 million in 2009. The Group however, recorded a net loss of RM176 million mainly due to investments in P1's aggressive subscriber acquisition and marketing activities to build market awareness of the P1 brand and services; and the strengthening of its network infrastructure. There was also a substantial provision for impairment of past investments in the last quarter which amounted to RM26 million, to further consolidate The Group's businesses.

We emerged from 2009 with our Solutions business showing profitable growth; and for P1, The Group's 4G WiMAX operation, a steady increase in subscriber base and good prospects for our planned expansion into new markets namely East Malaysia and Singapore.

P1, despite a shift in investment focus from subscriber acquisition to the deepening of its network infrastructure, and optimisation of customer satisfaction at the end of 2009, managed to close the year with 140,000 subscribers. New subscribers increased by 17% from Q3 to Q4 2009. This places P1 as one of the fastest growing broadband service providers.

The Group has completed capital investments to date totaling RM467 million and has budgeted additional capital investment of RM500 million over the next two years to complete Phases II and III of our 4G WiMAX implementation plan. We have a cash and cash equivalents of RM147 million to fund our capital expenditure and working capital requirement at the end of the financial year, 31 December 2010. At the same time, our asset base has doubled to RM979 million since 2006.

The management is committed to returning The Group to positive EBITDA (earnings before interest, taxation, depreciation and amortisation) during the second-half of 2010 by scaling up our now proven business model coupled with the optimisation of resource utilisation and cost efficiency. We expect, this year, a robust customer conversion of our healthy solutions sales funnel; and to more than double P1's current network infrastructure and subscriber base.

CORPORATE DEVELOPMENTS

The challenging economic environment of 2009 with its consequent repressed market activities, presented The Group with a window of opportunity to build stronger brands and win market share for both our business pillars of Solutions and Converged Communications Services during the past year.

SOLUTIONS

Strengthening our global brand

Armed with the new corporate and product brand identities developed in 2008, the Solutions Pillar embarked on an intensive global branding and marketing campaign in 2009. Aside from a full line-up of trade shows and industry events, as well as advertising in trade and online publications and media write-ups, Green Packet ramped up participation in numerous less traditional forms of marketing. These included interactive webminars (or web seminars) to raise our profile and boost the credibility of our products and solutions range.

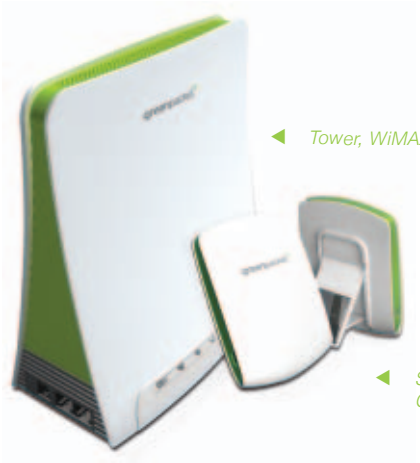
The aggressive campaign was also designed to generate high quality leads from our targeted segments of Telcos and device and chipset manufacturers. At the same time, we put in place on-ground sales teams in the USA and Europe to strengthen our presence, gain market insights, and provide better customer service and support. The Green Packet Group corporate website was also upgraded and reengineered to better facilitate lead generation and sell-through.

Capturing market share

2009 saw Green Packet continuing to introduce new innovations which were developed from our strong understanding of market needs. In the case of Telcos, their key priorities are to drive cost down, build customer loyalty, reduce churn, and to increase Average Revenue per User. Green Packet's range of products and solutions provide them with a differentiated approach to being competitive and winning in the marketplace.

At a time when the applications store business is growing phenomenally, Green Packet introduced Infinit Services Management Platform (ISMP), a solution that enables Telcos to start and manage their own applications store. The ISMP allows them easy access into this high revenue potential business, and at the same time, further raise their competitiveness by enabling engaging value-added services.

I am pleased to report that Green Packet's first generation WiMAX USB and Indoor modems, won distinguished TMC WIMAX Distinction 2009 Awards in recognition of innovation, unique features and for improving technology in the WiMAX space. As a strong follow-through, Green Packet launched



Tower, WiMAX IAD Modem

Shuttle, WiMAX High Gain USB Modem

the stylish Wave 2 compliant DX WiMAX Indoor Modem (Tower) and UH WiMAX USB (Shuttle), the world's first high gain USB modem. Over and above high performance, the designs of these customer premise equipments (CPEs), demonstrate Green Packet's strong appreciation for the lifestyle needs and aspirations of the end-consumer.

The Group's heightened efforts and investments in product innovations, brand building and marketing, during a time when our competitors would typically tighten their belts on spending, has paid off. Having launched Green Packet branded WiMAX CPEs short of two years in 2008, I am proud to announce that we are now a top tier WiMAX modem and Connection Management Solution provider. Green Packet will continue to build on our successes with a firm eye on our goal to lead in both the global WiMAX CPE and connectivity management solution space.

CONVERGED COMMUNICATIONS SERVICES

P1 proving to be a strong contender

We started 2009 with 9,500 subscribers whom we regard as early technology adopters with WiMAX being so new at the time not just in Malaysia but around the globe. We admittedly had a lot to prove in order for us to cross the chasm to attract the early majority. In 2009, P1 focused on expanding the width and depth of our network coverage, improving customer experience and building the differentiated P1 brand experience.

Way ahead on coverage

At the close of 2009, P1 completed Phase I of its network deployment plan to cover 35% of the population. It achieved 651 Ready-For-Service sites despite the various challenges faced in obtaining approvals to set up sites. Having fulfilled the licensing requirement, P1 avoided heavy fines and received authorisation from the Malaysian Communications and Multimedia Commission to deploy 4G WiMAX in East Malaysia making us the sole nationwide 4G WiMAX Operator.

As you may know, P1 is amongst the first few in the world to launch 4G WiMAX commercial services. This head-start has given us invaluable data and learning which can only be acquired through our actual aggressive deployment. Our rich experience is sought after by our peers internationally, and it will also ensure that we maintain our lead over close competition where we operate. P1's appointment to The Board of the primary international WiMAX industry body, WiMAX Forum® will also enable us to tap into the best minds and be privy to the latest developments in 4G WiMAX. This will contribute immensely towards our efforts to build the best network architecture for optimal customer satisfaction.

Green Packet had also formed a strategic alliance with ZTE Corporation, a leading global provider of telecommunications equipment and network solutions. ZTE will support the company's WiMAX network roll-outs in Malaysia, Singapore and any other markets with the design, supply, installation, integration, and maintenance of telecommunications equipment. ZTE will also provide a vendor financing package as part of the strategic alliance. This is a significant strategic move for both parties to cement our respective positions as leading Telco and equipment vendor in the global WiMAX space.

To consistently deliver the 4G technology promise, P1 has at the end of 2009, increased investments in improving its network capacity. To this end, P1 will continue to deploy the latest network hardware and software to reduce any risk of service interruptions. We believe that ensuring the best customer experience and protecting our valuable subscriber base asset is our main priority as a service provider. These priorities will form the foundation for the ramp up of future subscriber acquisition programs and ensure P1's sustained growth and continuing success.

The P1 brand makes waves

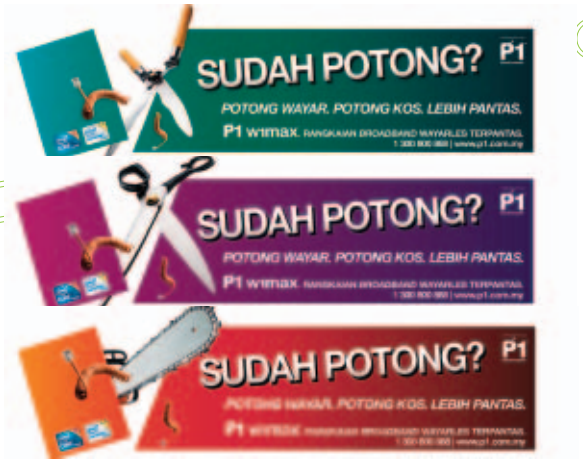
In 2009, P1 undertook some extraordinary branding and marketing initiatives to permanently launch the brand into Malaysians' sphere of consciousness. Of particular high impact are 'The P1 Malaysian Filmmakers Showcase - 15 Malaysia (15MY) project produced by the highly acclaimed Pete Teo (artist and producer) and the 'Sudah Potong' or 'Cut Already' promotional campaign.

The 15MY project showcased 15 short films about Malaysia by 15 talented (albeit mostly unknown) Malaysian filmmakers. It featured some of the country's most popular faces including actors, musicians and politicians. The nature of the project was apt for conveying P1's brand essence of being the challenger, creative, impactful, and different. More importantly, it enabled P1 to support two important causes. The first being nation building through embracing the 1Malaysia spirit, and the second, the creation of quality local content to spur broadband adoption.

The predominantly online project was a resounding success. As at January 2010, there were over 15 million page views on the official website, over 3 million video streams, 500,000 video downloads, and 1.6 million total unique visitors recorded. The showcase also made media headlines throughout the 3-month campaign period, and was accepted for screening at numerous prestigious foreign film festivals such as The Pusan International Film Festival and The Golden Horse, Taiwan.

At the launch of 15MY. P1 Management with the 15 independent filmmakers.

The 'Sudah Potong' promotional campaign meant to prompt wired-line broadband consumers to 'cut the wires, cut the lag and cut the cost'. Its creative execution made it a highly talked about campaign, hence creating a big ripple effect to amplify awareness. In the quarter following the launch of the campaign, P1 recorded an impressive 44% increase in net subscriber additions.



"Sudah Potong?" campaign billboards

P1 to be Southeast Asia's leading 4G WiMAX Telco

In October of 2009, P1 took its first step towards becoming a multimarket pan-regional player by securing a Facilities based Operator license and Wireless Broadband Access right via a transfer and assignment agreement between Packet One Sdn Bhd and Pacnet Internet Corporation (S) Pte Ltd, Singapore. Singapore's high mobile data demand, we believe, presents high growth opportunities for 4G WiMAX and P1. The entry into Singapore is also expected to deliver the immediate benefit and competitive proposition of roaming for P1 subscribers (according to tourism statistics, cross-border visitor arrivals between the two countries totalled 11.7 million in 2008). The proximity to Malaysia will allow the Singapore operations to tap into existing services, such as the billing systems, customer service support and so forth in Kuala Lumpur for substantial capital expenditure savings. Furthermore, Singapore provides P1 and Green Packet with an excellent reference platform and test-bed to develop innovative seamless mobility technology and applications for advanced markets.

Taking an active role in bridging the digital divide

P1 in building to become the nation's leading broadband Telco, has always been committed to becoming an active participant in helping meet the Government's 50% household broadband penetration target by end of 2010. Hence, it took concrete steps to close the gap on the digital divide. These included establishing the proof-of-concept internet community centre in the rural settlement of FELDA (Federal Land Development Authority), Chini Timur, Pahang - the first in Malaysia utilising 4G WiMAX technology. It also launched the P1 Expert Net series to promote dialogue and gather insights from industry, Government and the media on issues impacting broadband penetration. In December 2009, I am pleased to report that our pioneering activities to prove that 4G WiMAX can efficiently and cost effectively bridge the digital divide and meet the tremendous demand for broadband in the country; resulted in P1 being awarded a Universal Service Provision project worth over RM41.5 million to provide broadband to underserved areas in Malaysia.

FUTURE GROWTH

The Green Packet Group's unique business model anchored on the two core pillars comprising 4G WiMAX Telco, and products and solutions developer, we believe will hold us in good stead for positive future growth. The synergies from the two pillars have already demonstrated to be invaluable in helping us win in the marketplace. Solutions Pillar as a specialised vendor to broadband Telcos worldwide, leverages P1's success track record and in-market knowledge to develop in-demand products and solutions with strong customer traction. In turn, Solutions as an in-house developer is a critical business enabler to give P1 its first mover advantage by supporting its build-up of the 4G WiMAX ecosystem.

The deployment of WiMAX networks globally continues to be robust as clearly WiMAX is the only 4G technology available today. We believe that the Solutions Pillar will continue to gain market share in the WiMAX CPE segment with their strong sales funnel. Sales growth, we anticipate, will be further driven by new deployments in India, the Philippines and Indonesia. Industry analyst Maravedis, has also forecasted a ramp up of deployment in Russia and the Asia Pacific. The onset of new embedded devices and conversion from the fixed 16d standard to mobile 16e standard will also contribute to the projected high growth.

At the same time, markets with mature broadband infrastructure are seeing network congestions due to high mobile data traffic, especially in the USA and Europe. This according to international investment bank Barclays Capital, has grown to require nearly 90 per cent of network capacity compared with less than 30 per cent just three years ago. With Telcos remaining cautious on managing cost, a whole new off-loading industry is on the rise as an alternative to costly backhaul upgrades. On this backdrop, Green Packet believes it can penetrate into these markets with our strong position in Asia, and by leveraging our popular connection management solution which capably and cost-effectively off-load mobile data to Wi-Fi networks.

We maintain that the broadband market in Malaysia has tremendous potential for growth. This is supported by the current Personal Computer to broadband ratio of 4:1 compared with advanced markets of typically 2:1. According to IT, Telecoms and Software analyst Ovum Knowledge Center, household broadband penetration in Malaysia will increase three-fold from the current 33% by 2014 with growth dominated by mobile broadband. P1, as the leading 4G WiMAX player, will focus on implementing our roll-out strategy to cover 45% of the population while increasing our network capacity by the end of 2010. We target to achieve 65% population coverage by 2012. P1 will also complement the rising mobility needs of the market with our push on nomadic broadband this year, followed swiftly by mobile broadband from 2011.

The Group had grown at a rapid pace to build new businesses and enter new markets particularly in the last two years. We will continue to invest through to 2012 to scale up our now proven business model. This year, we are firmly set on achieving EBITDA breakeven during the second half of 2010 and will complement our efforts with proactive initiatives to strengthen our fundamentals. These include developing a high performing organisation and team, and optimising resource utilisation and cost efficiency.

APPRECIATION

It is without a doubt that 2009 was a year of important progress. Foremost, I would like to acknowledge our dedicated employees who gave their full commitment to realising our business goals. Their display of The Group's shared values of Service Excellence, Teamwork, Reliability, Innovation and Passion will continue to anchor our growth.

We are encouraged by Budget 2010 and the many proactive measures taken by the Government to accelerate growth of the IT and communications industry and to spur broadband usage. To this end, we would like to extend our sincere gratitude to the Government for continually improving the country's business environment and in helping The Group become more competitive globally. It is our aspiration to make the nation proud by building powerful global brands and a truly multinational Malaysian-based company.

To shareholders and the investment community, I would like to offer my heartfelt thanks on behalf of The Board, the Management team, and our employees for your confidence in our business plan, strategy, and our team. We assure you of our firm commitment to become a profitable and fundamentally strong organisation to ensure long-term and sustainable shareholder returns.

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman
Chairman and Independent Non-Executive Director
19 April 2010

This chairman's message includes "forward-looking statements" within the meaning of the securities laws. Statements in this message that are not historical facts are forward-looking statements. The words "estimate," "forecast," "intend," "expect," "believe," "target," and similar expressions are intended to identify forward-looking statements. Forward-looking statements are projections reflecting management's judgment and assumptions based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements.

Future performance cannot be assured. Actual results may differ materially from those in the forward-looking statements due to a variety of factors, including, but not limited to:

- the changes in the regulatory environment in Malaysia and in countries which Green Packet does business;
- uncertainties related to the implementation of the company's WiMAX business strategy;
- the costs and business risks associated with deploying a WiMAX network and offering products and services utilising WiMAX technology;
- the inability of third party suppliers, software developers and other vendors to perform requirements and satisfy obligations, under agreements with the Green Packet Group;
- the impact of adverse network performance; and
- other risks referenced from time to time in the company's filings with the Securities and Exchange Commission.

Green Packet believes the forward-looking statements in the Chairman's Message are reasonable; however, you should not place undue reliance on forward-looking statements, which are based on current expectations as of the date of this annual report. Green Packet is not obligated to publicly release any revisions to forward-looking statements to reflect events after the date of this annual report.

Statement On Corporate Governance

The Board of Directors ("the Board") of Green Packet Berhad ("GPB" or "the Company") recognises and subscribes to the importance of the principles and best practices set out in the Malaysian Code on Corporate Governance ("the Code") as a key factor towards achieving an optimal governance framework and process in managing the business and operational activities of the Company and its group of companies ("Group").

The Board believes that good corporate governance practices are pivotal to enhancing shareholders' value. Hence, the Board is fully dedicated to continuously evaluate the Group's corporate governance practices and procedures to ensure that the principles and best practices in corporate governance are applied and adhered to in the best interests of the stakeholders.

The Statement below sets out the manner in which the Group has applied the principles of the Code and the extent of compliance with best practices advocated therein.

DIRECTORS

1. The Board

The Group is driven by an effective Board consisting of competent individuals with appropriate specialized skills and knowledge to ensure capable management of the Group. The Board is responsible for overseeing the conduct and performance of the Group's business and oversees the Group's internal controls. The compositions of the independent and non-independent directors are carefully considered to ensure that the Board is well balanced.

The Board acknowledges its key responsibilities in directing the strategic plans, development and control of the Group and has taken steps to adopt the specific responsibilities listed by the Code, which facilitates the discharge of the Board's stewardship responsibilities.

The Board has formed and delegated certain specific responsibilities to four (4) committees, namely Audit, Nomination, Remuneration and Board Tender Committees, all of which have their own terms of reference to govern their responsibilities. The Board Committees will deliberate on and examine issues within their terms of reference and report to the Board.

2. Composition and Balance

The Board currently has eight (8) members, comprising three (3) Independent Non-Executive Directors, three (3) Non-Executive Directors and two (2) Executive Directors. The composition of the Board complied with paragraph 15.02 of the Listing Requirements of the Bursa Malaysia Securities Berhad. The profile of each Board member is entailed on pages 20 to 23 of this Annual Report. It is a well-balanced Board and comprises professionals from various backgrounds with the relevant experience and expertise that would add value to the Group. The mix of experience is vital for the strategic success of the Group.

The presence of the independent non-executive directors fulfills a pivotal role in corporate accountability as they provide unbiased and independent views, advice and judgement.

There is a clear division of responsibilities between the Chairman and Group Managing Director to ensure that there is balance of power and authority. In ensuring this balance, the positions of the Chairman and Group Managing Director are held by separate members of the Board.

The Board has appointed Mr Boey Tak Kong as Senior Independent Non- Executive Director to whom concerns may be conveyed.

DIRECTORS (continued)

2. **Composition and Balance** (continued)

Board Meetings

The Board meets at least four (4) times a year on a quarterly basis, with additional meetings convened when necessary. Agenda and Board papers are circulated to the Board prior to the Board meetings so as to give the Directors time to consider and deliberate on the issues to be raised at the meetings in relation to the Group's financial performance, corporate development, strategic issues and business plan.

There were five (5) Board Meetings held during the financial year ended 31 December 2009. Details of each Director's attendance of the Board meetings held are as follows:

Name of Director	Designation	Meeting attended
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman	Independent Non-Executive Director	5/5
Tan Sri Dato' Kok Onn	Non Executive-Director	4/5
Puan Chan Cheong	Executive Director	5/5
Nik Mat Bin Ismail	Executive Director	4/5
Ong Ju Yan	Non-Executive Director	5/5
Boey Tak Kong	Independent Non-Executive Director	5/5
Yousuf Mohamed Yaqub Khayat	Non-Executive Director	4/5
A. Shukor Bin S.A Karim	Independent Non-Executive Director	4/5
Yee Chee Wai	(Alternate Director to Ong Ju Yan)	-

Directors' Training

The Group acknowledges that continuous education is vital for the Board to discharge its responsibilities effectively.

All the Directors had attended and successfully completed the Mandatory Accreditation Programme as prescribed by the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors will continue to attend various training programmes to ensure that they are kept abreast on various issues and facing the changing business environment within which the Group operates and other market developments where appropriate.

During the financial year, the Directors attended the following training programmes and seminars:

Directors	Month	Course Title	Organiser
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman	March 2009	Leading Change in Tough Times	Motorolla University and Global Telenet Development Centre
	March 2009	The Non-Executive Director Development Series	SIDC and PricewaterhouseCoopers
	April 2009	Corporate Governance in Asia	Bank Negara Malaysia
	August 2009	Insights and Perspectives of Malaysian Industry Leaders	Perdana Leadership Foundation
	October 2009	Risk Action Planning	Bursa Malaysia Berhad
	November 2009	Key changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	TMF Administrative Services Malaysia Sdn Bhd

DIRECTORS (continued)

2. **Composition and Balance** (continued)

Directors' Training (continued)

Directors	Month	Course Title	Organiser
Tan Sri Dato' Kok Onn	July 2009	Leading Successful Business Transformation	Terus Mesra Sdn Bhd
Puan Chan Cheong	April 2009	WiMAX Forum Congress Asia 2009	Informa
	November 2009	Key changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	TMF Administrative Services Malaysia Sdn Bhd
Nik Mat Bin Ismail	April 2009	WiMAX Forum Congress Asia 2009	Informa
	November 2009	Key changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	TMF Administrative Services Malaysia Sdn Bhd
Ong Ju Yan	April 2009	Balance Scorecard Training	OSK Investment Bank Berhad (OSKIB)
	April 2009	Key Performance Indicators (KPI)	OSKIB
	August 2009	Balance Scorecard Implementation Workshop	OSKIB
	October 2009	Bursa Evening Talk on Corporate Governance: Risk Action Planning: The Missing Element In An ERM Framework by IIAM	OSKIB
	October 2009	Setting KPI and Managing Performance	OSKIB
	November 2009	Key changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	TMF Administrative Services Malaysia Sdn Bhd
Boey Tak Kong	February 2009	Financial Reporting during Financial Turbulence	Malaysian Institute of Accountants
	May 2009	MAPS National Convention 2009	Malaysian Association of Professional Speakers
	August 2009	Corporate Governance Guide: Towards Boardroom Excellence	PricewaterhouseCoopers
	September 2009	Updates on Malaysian Securities Law and Capital Market Legislation	British American Tobacco (M) Berhad
		Corporate Social Responsibility and Socially Responsible Investment	
		Information Security Awareness	
		Malaysian Tax Updates and AFTA	
	October 2009	FRS 139 Forum Financial Instruments: Recognition & Measurement	Bursa Malaysia Berhad

DIRECTORS (continued)

2. **Composition and Balance** (continued)

Directors' Training (continued)

Directors	Month	Course Title	Organiser
Boey Tak Kong	October 2009	Board Excellence Forum	LexisNexis
	October 2009	Audit Committee Breakfast Forum	Asian Confederation of Institutes of Internal Auditors
	October 2009	Climate Change & The Accountancy Profession	Association of Chartered Certified Accountants
	November 2009	CR Overview & Identifying CR Risks & Opportunity for Companies	Association of Chartered Certified Accountants
	November 2009	Managing Business Risk in China – The Practical Review	Association of Chartered Certified Accountants
	November 2009	Key changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	TMF Administrative Services Malaysia Sdn Bhd
Yousuf Mohamed Yaqub Khayat	November 2009	Key changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	TMF Administrative Services Malaysia Sdn Bhd
A. Shukor Bin S.A Karim	November 2009	Key changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	TMF Administrative Services Malaysia Sdn Bhd

3. **Supply of Information**

The Directors have full unrestricted and timely access to all information necessary for the discharge of their responsibilities. The Board is provided with the meeting agenda and Board papers to enable them to consider the matters arising and facilitate informed decision making. The Board papers, amongst others include matters pertaining to operational, financial, corporate, performance, business development, audit as well as updates on market information, statutory regulations and requirements affecting the Group.

In addition, there is a formal schedule of matters reserved specifically for the Board's decisions. These are generally significant matters relating to the business operations of the Group.

All Directors, whether as a full Board or in their individual capacity, have access to the advice and services of Company Secretaries. The Company Secretaries also act as the Secretary for all the Board Committees. The Directors may obtain independent professional advice in furtherance of their duties.

4. **Appointments to the Board**

The Nomination Committee ("NC") is responsible for proposing candidates for directorship and assessing the directors on an on-going basis. The NC currently comprises three (3) members, all being Independent Non-Executive Directors. The current members of the NC are as follows:

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman - Chairman/Independent Non-Executive Director
Boey Tak Kong - Independent Non-Executive Director
A. Shukor Bin S.A Karim - Independent Non-Executive Director
(who replaced Tan Sri Dato' Kok Onn effective from 11 February 2010)

The Board is of the view that the current mix of skills and core competencies of its members are sufficient for the discharge of its responsibilities in an effective manner. However, the Board shall, with the assistance of the NC, look into the required mix of skills from time to time in order to identify candidates with the requisite qualification and experience who will complement the Board and be of contribution to the Group.

The NC met once during the financial year to review the Board's structure, size and composition.

5. **Re-election**

The Company's Articles of Association provides that all Directors who are appointed by the Board shall retire from office and be subject to re-election by shareholders at the annual general meeting after their appointment. Furthermore, at least one-third (1/3) of the Board are subject to retirement and re-election by rotation at least once in every three (3) years.

DIRECTORS' REMUNERATION

1. **Level and Make-Up**

The Company has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts, retains and motivates the Directors of the quality needed to manage the business of the Group effectively. The remuneration scheme is reflective of the individual Director's experience and level of responsibilities. In addition, the remuneration for Executive Directors is structured to link rewards to corporate and individual performance.

2. **Remuneration Committee**

The Remuneration Committee ("RC") is responsible for recommending the remuneration scheme for Directors. The remuneration packages of all Directors shall be devised to attract, retain and motivate them, and is reflective of the individual Director's experience and responsibilities. None of the Executive Directors participate in any way in determining their individual remuneration packages. The remuneration of Non-Executive Directors are determined by the Board as a whole with the individual Directors concerned abstaining from deliberation and voting on their own remuneration.

The current members of the RC are:

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman - Chairman/Independent Non-Executive Director
Ong Ju Yan - Non-Executive Director
Puan Chan Cheong - Group Managing Director / Chief Executive Officer

The RC met once during the financial year to review the remuneration of executive and non-executive Directors.

3. **Director's Remuneration**

The aggregate Directors' remuneration paid or payable to all Directors of the Company categorized into appropriate components for the financial year ended 31 December 2009 are as follows:-

Total Remuneration	Executive RM'000	Non-Executive RM'000	Total RM'000
Fees	-	210	210
Salaries	840	-	840
Other emoluments (including allowances, benefits-in-kind)	152	29	181
Total	992	239	1,231

The number of Directors whose total remuneration during the financial year fall within the following bands is as follows:-

Range of Remuneration	Executive	Non-Executive	Total
Below RM50,000	-	4	4
RM50,000 – RM100,000	-	2	2
RM250,000 – RM300,000	1	-	1
RM550,000 – RM700,000	1	-	1
Total	2	6	8

For security and confidential reasons, the details of individual Directors' remuneration are not shown. The Board is of the opinion that the transparency and accountability aspect of corporate governance as applicable to Directors' remuneration are appropriately served by the disclosures made above.

BOARD TENDER COMMITTEE

The Board Tender Committee ("BTC") is responsible for reviewing and reporting to the Board on approval of all relevant tenders and procurement contracts with an estimated value of RM10 million and up to RM20 million and making recommendations for Board approval for tenders and procurement contracts with an estimated value of exceeding RM20 million.

The current members of the BTC are:

Boey Tak Kong - Chairman/Independent Non-Executive Director
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman - Independent Non-Executive Director
A. Shukor Bin S.A Karim - Independent Non-Executive Director
Puan Chan Cheong-Management
Liew Kok Seong.- Management

The BTC had since held two (2) meetings during the financial year.

SHAREHOLDERS

1. Investors Relations and Shareholders' Communication

The Board recognises the need for shareholders to be informed of all material business matters affecting the Group. In addition to various announcements made during the year, the timely release of financial results on a quarterly basis, press releases and annual report provides shareholders with an overview of the Group's performance and operations.

2. Annual General Meeting ("AGM")

The AGM is the principal forum for dialogue and communication with shareholders and investors. Shareholders are encouraged to attend and participate during the AGM in the question and answer session on the prospects, performance of the Group and other matters of concern. Members of the Board, Heads of Department and the auditors are present to answer questions raised at the meeting. Suggestions and comments raised by shareholders are also noted for consideration. Shareholders who are unable to attend are allowed to appoint proxy/proxies to attend and vote on their behalf.

ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The Board endeavour to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects to shareholders, primarily through the annual reports, quarterly announcements of the Group's results and other price-sensitive public reports. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and the accuracy, consistency and appropriateness of the use and application of accounting policies and standards, as well as the reasonableness and prudence in making estimates, statements and explanations.

2. Internal Control

The Statement on Internal Control of the Group is set out on pages 42 to 43 of this Annual Report. The Statement provides an overview of the Group's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets.

3. Relationship with Auditors

The Board via the Audit Committee maintains a formal and transparent professional relationship with the Group's auditors, both internal and external. The role of the Audit Committee in relation to the auditors is described in the Audit Committee Report set out on pages 37 to 41 of this Annual Report.

Audit Committee Report

The Audit Committee ("the Committee") was established on 11 March 2005. During the financial year under review, the Committee met five (5) times and the details of the attendance of the Committee members are set out as follows:

COMPOSITION OF THE AUDIT COMMITTEE

Name	Attendance
Mr Boey Tak Kong (Chairman) *Independent Non-Executive Director*	5/5
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman *Independent Non-Executive Director*	5/5
A. Shukor Bin S.A Karim *Independent Non-Executive Director*	4/5

Details of the members of the Committee are contained in the "Directors' Profile" as set out on pages 20 to 23 of this Annual Report.

TERMS OF REFERENCE

The Committee is governed by the following terms of reference:

1. **Composition**

   The Committee shall be appointed from amongst the Board and shall comprise no fewer than three (3) members. All the audit committee members must be non-executive directors, a majority of whom shall be independent directors and at least one (1) member must be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved by the Bursa Malaysia Securities Berhad ("Bursa Securities"). No alternate director of the Board shall be appointed as a member of the Committee.

   In the event of any vacancy with the result that the number of members is reduced to below three, the vacancy shall be filled within two (2) months but in any case not later than three (3) months. Therefore a member of the Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

2. **Chairman**

   The Chairman, who shall be elected by the Committee, shall be an independent director.

3. **Secretary**

   The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

   The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Members. The Committee Members may inspect the minutes of the Committee at the Registered Office or such other place as may be determined by the Committee.

TERMS OF REFERENCE (continued)

4. Meetings

The Committee shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.

The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit. The Committee Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

All decisions at such meeting shall be decided on a show of hands on a majority of votes.

The internal auditors and external auditors may appear at any meeting at the invitation of the Committee and shall appear before the Committee when required to do so by the Committee. The internal auditors and external auditors may also request a meeting if they consider it necessary.

5. Rights

The Committee shall:

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Group;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) have the right to obtain independent professional or other advice at the Company's expense;
(f) have the right to convene meetings with the internal auditors and external auditors, excluding the attendance of other directors or employees of the Group, whenever deemed necessary;
(g) promptly report to the Bursa Securities, or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the listing requirements;
(h) have the right to pass resolutions by a simple majority vote by the Committee and that the Chairman shall have the casting vote should a tie arise;
(i) meet as and when required on a reasonable notice;
(j) the Chairman shall call for a meeting upon the request of the internal auditors and external auditors.

6. Duties

(a) To review with the external auditors on:
- the audit plan, its scope and nature;
- the audit report;
- the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
- the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.

TERMS OF REFERENCE (continued)

6. Duties (continued)

(b) To review the adequacy of the scope, functions, competency, resources and set the standards of the internal audit function.

(c) To provide assurance to the Board of Directors on the effectiveness of the system of internal control and risk management practices of the Group.

(d) To review the internal audit programme, ascertain the results of the internal audit programme, determine the investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal auditors.

(e) To review with management:
- audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
- interim financial information; and
- the assistance given by the officers of the Company to external auditors.

(f) To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on;
- at arm's length basis;
- normal commercial terms;
- terms not more favourable to the related parties than those generally available to the public;
- are not to the detriment of the minority shareholders;
- to ensure that the Directors report such transactions annually to shareholders via the annual report; and
- to review conflicts of interest that may arise within the Company or the Group including any transaction; procedure or course of conduct that raises questions of management integrity.

(g) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors, focusing particularly on:
- any changes in or implementation of major accounting policy and practices;
- compliance with accounting standards and other legal requirements;
- significant adjustments resulting from the audit;
- the going concern assumption;
- compliance with accounting standards and other legal requirements; and
- major areas.

(h) To consider the appointment and / or re-appointment of internal auditors and external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors.

(i) To verify any allocation of options in accordance with the employees' share option scheme of the Company, at the end of the financial year

SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the financial year under review, the activities undertaken by the Committee includes:-

(a) Reviewed the unaudited quarterly financial statements and the audited accounts of the Company and the Group including the announcements pertaining thereto, before recommending to the Board of Directors for their approval and release to Bursa Securities;
(b) Reviewed with external auditors on their audit planning memorandum of the Group for the financial year ended 31 December 2009;
(c) Reviewed with external auditors on the results and issues arising from their audit of the previous financial year end statements and their resolutions of such issues highlighted in their report to the Committee;
(d) Reviewed related party transactions to ensure that they are fair and reasonable to; and are not to the detriment of, minority shareholders;
(e) Reviewed with internal auditors on the results and issues arising from their internal audit review and their recommendations;
(f) Met with the external auditors without the presence of the executive directors and management;
(g) Verified the allocation of Employees' Share Option Scheme ("ESOS") options which was in compliance with the criteria set pursuant to the ESOS by-laws. and
(h) Updated and noted the disclosure requirements of Bursa Securities.

STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME ("ESOS") BY THE COMMITTEE

During the year ended 31 December 2009, the Company had granted 7,730,000 new share options pursuant to the third allocation of options under the ESOS ("ESOS 3") to eligible employees and directors of the Company and its subsidiaries at an exercise price of RM0.85.

Pursuant to the Company's ESOS by-laws, the number of Options and exercise price of the ESOS 3 had been adjusted on 28 September 2009 arising from the Company's Rights Issue. The exercise price of the ESOS 3 had been adjusted to RM0.80 after the Rights Issue. However, there were no options exercised during the said financial year.

The Committee has verified and was satisfied that the new options which were offered and allotted to the eligible employees and directors of the Company and its subsidiaries who are entitled to participate in the ESOS 3, were in accordance with the criteria and basis of allocation set by the Option Committee and ESOS By-Laws.

There were no options offered to the non-executive directors pursuant to the ESOS 3.

INTERNAL AUDIT FUNCTION

The Group's internal audit functions are outsourced to an independent professional firm, CGRM Infocomm Sdn Bhd, which reports to the Committee and assists the Board of Directors in monitoring and managing risks and internal controls. The Committee approves the internal audit plan tabled during the Committee meeting during the financial year.

The scope of internal audit covers the audits on risk management, internal controls, governance and compliance activities of the Group. This scope is in accordance to the International Professional Practices Framework of The Institute of Internal Auditors.

The approach adopted by the Group is of a risk based approach to assess and review the implementation and monitoring of controls of its subsidiary companies.

The audit encompasses the following activities:

- Review and assess the risk management and governance structure of the Group.
- Review and appraise the soundness, adequacy and application of accounting, financial and other key controls promoting effective control in the Group.
- Ascertain the extent to which the Group's assets are safeguarded.
- Ascertain the level of compliance to the Group' policy and procedures.
- Recommend improvements to the existing system of risk management, internal control and governance.

Statement On Internal Control

1. Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") require directors of listed companies to include a statement in annual reports on the state of their internal controls. The Bursa Securities' statement on internal control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements.

The Board of Directors ("the Board') of Green Packet Berhad ("the Company") is pleased to present the Statement of Internal Control, which was prepared in accordance with the Guidance. The Board believes the practice of good corporate governance is an important continuous process and not just a matter to be covered as compliance in its Annual Report. Hence, the Board endeavors to maintain an adequate system of internal control that is designed to manage, rather than eliminate risk, and to improve the governance process of the Company and the subsidiaries ("the Group").

2. Board Responsibility

The Board acknowledges its overall responsibility for the internal control system to cover the financial, compliance and operational controls of the Group. The Board also recognizes its responsibility for reviewing the adequacy and integrity of the system of internal controls to safeguard shareholders' investment and the Group's assets. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

3. Risk Management Framework

The Group is maintaining its risk management framework to continually update and identify the various risk factors that could have a potentially significant impact on the Group's mid to long term business objectives.

The Board also, throughout the current financial year, has identified, evaluated and managed the significant risks faced by the Group through monitoring of the Group's operational efficiency and profitability at its Board Meetings.

4. Internal Audit Function

CGRM Infocomm Sdn Bhd ("CGRM"), an independent professional firm, supports the Audit Committee, and by extension, the Board, by providing independent assurance on the effectiveness of the Group's system of internal controls.

In particular, CGRM appraises and contributes towards improving the Group's risk management and control systems and reports to the Audit Committee on a quarterly basis. In assessing the adequacy and effectiveness of the system of internal controls and financial control procedures of the Group, the Audit Committee reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by management to rectify those issues.

The internal audit work plan, which reflects the risk profile of the Group's major business sectors is routinely reviewed and approved by the Audit Committee. The scope of CGRM's function covered the audit and review of governance, risk management, compliance, operational and financial control across all business units.

CGRM conforms to the requirements of the Guidelines on the Internal Audit Function issued by The Institute of Internal Auditors Malaysia in July 2002 as well as the Standards for the Professional Practice of Internal Auditing (SPPIA) and the Code of Ethics issued by The Institute of Internal Auditors Inc.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2009 was RM43,464.

5. Key Process

The Group's key internal control processes based on the Committee of Sponsoring Organisation (COSO) of the Treadway Commission principles benchmarking are as follows:

<u>Control Environment</u>

- Management provided strong strategic leadership with proper delegation by the Board that is aligned to business and operations requirements in order to achieve the Group's missions.

5. Key Process (continued)

Control Environment (continued)

- A clear and detailed organisation structure has been established depicting the departmentalisation of various activities and related reporting responsibilities and accountabilities for all levels of employees.
- The Board had delegated authority levels with limits for various business transactions to the senior management team to facilitate effective internal control over financial reporting. The said delegation and limits of authority was formally documented and subjected to reviews and enhancements when necessary to reflect the most current developments in the Group.
- The Board and Management showed their strong commitment towards governance especially concerning recurrent related party transactions to ensure compliance to shareholders' mandate and Bursa Securities Listing Requirements.
- New employees are initiated into the Group through a one-day orientation organised by the Human Capital Department where they will be briefed on the Group's culture, organization structure, rules, regulations and benefits.

Risk Management

- Quarterly risk management meetings were conducted and attended by the senior management team at subsidiaries' levels to discuss, identify and manage key enterprise risks.

Control Activities

- The Group constantly reviewed and formalised its standard operating policies and procedures to ensure consistency, clarity and accountability in the Group's daily operations.
- The Group also implemented a dedicated billing and customer care system in early 2008 to manage the billing and collection functions efficiently for its major subsidiaries involved in telecommunications, broadband and WIMAX service provision.

Information And Communication

- Employees were briefed on their job descriptions, responsibilities and expectations upon joining the Group by their immediate supervisors and a documented copy of the same is filed in their respective personnel files.
- Issues and matters arising from departments and functions are discussed and resolved in weekly and monthly management meetings with minutes of meetings taken.
- The communication channels most widely used are via email, teleconferencing with emphasis placed on effective and "free-flow" or open communication within the organisation.

Monitoring

- Dashboards of individual functions are utilized to monitor and track progress of all projects and initiatives undertaken.
- Management constantly monitored financial performances, business plan achievement and the progress of correction actions / implementation for highlighted issues and is committed to rectify the highlighted issues.

6. Conclusion

The Management continues to take measures and maintains an ongoing commitment to strengthen the Group's control environment and processes. During the year, there were no material losses caused by breakdown in internal controls. It should be appreciated that the system of internal controls only provide reasonable assurance in managing business risks rather than eliminating them and there is no absolute assurance towards material misstatement or loss.

The external auditors have reviewed this Statement on Internal Controls for the inclusion in the annual report for the year ended 31 December 2009 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This statement was made in accordance with a resolution of the Board dated 19 April 2010.

Statement On Directors' Responsibility

The directors are responsible for ensuring that the financial statements of the Group and the Company are drawn up in accordance with applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2009.

In preparing the financial statements for the year ended 31 December 2009, the Directors have:-

- Adopted suitable accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensured adoption of applicable accounting standards; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at all times the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors are also responsible for safeguarding the assets of the Group and the Company and, hence, for taking reasonable steps in the prevention and detection of fraud and other irregularities.

Additional Compliance Information

1. Utilisation of Proceeds

The status of the utilisation of proceeds raised from the issuance of 197,613,775 new ordinary shares of RM0.20 each ("Rights Shares") together with 197,613,775 free detachable new warrants ("Warrants") on the basis of one (1) Rights Share and One (1) Warrant for every two (2) existing ordinary shares of RM0.20 each held in the Company at an issue price of RM0.50 per Rights Share ("Rights Issue").and the Fourth Private Placement during the financial year under review are as follows:-

	Gross Proceeds (RM'000)	Utilised Amount (RM'000)	Balance as at 31 December 2009 (RM'000)
Rights Issue	98,807	83,593	15,214
Fourth Private Placement	68,718	-	68,718

2. Share Buy-backs

During the financial year, the Company bought back a total of 1,000 of its ordinary shares of RM0.20 each ("GPB Share(s)") from the open market at a price of RM1.07 per share. The repurchase consideration were financed by internally generated funds.

As at 31 December 2009, a total of 4,707,700 GPB Shares bought back were held as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

3. Options, Warrants or Convertible Securities

Warrants 2009/2014

The Company had on 28 September 2009 issued 197.613.775 Warrants in conjunction with the Rights Issue. The Warrants are constituted by a Deed Poll dated 17 August 2009.

The issue date of the Warrants is 28 September 2009 and the expiry date is 27 September 2014. Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.20 each in the Company at an exercise price of RM0.95 per ordinary share. None of the Warrants was exercised during the financial year.

Employees' Share Option Scheme ("ESOS")

The Company had on 8 August 2006 established and implemented the ESOS for a period of 5 years expiring on 8 August 2011. The ESOS is governed by the By-Laws which were approved by the shareholders on 30 March 2006.

During the financial year ended 31 December 2009, the Company had granted 7,730,000 share options pursuant to the third allocation of options under the ESOS ("ESOS 3") to eligible employees and directors of the Company and its subsidiaries at an option price of RM0.85. The number of the unexercised options and exercise price of the ESOS 3 had been adjusted on 28 September 2009 after the Company's Rights Issue. The exercise price of the ESOS 3 was adjusted to RM0.80 after the Company's Rights Issue. However, there were no options exercised during the said financial year.

3. Options, Warrants or Convertible Securities (continued)

The details of the options over the ordinary shares of RM0.20 each and the exercise prices of the three (3) offers granted under the ESOS are as follows:-

Date of Offer	Exercise Price	Adjusted Exercise Price after Rights Issue	As at 1.1.2009 '000	Granted '000	Adjusment after Rights Issue '000	Lapsed Due to Staff Resignations '000	As at 31.1.2009 '000
8.8.2006	RM4.48	RM4.22	6,948	-	1,030	(381)	7,597
28.3.2008	RM2.09	RM1.97	8,101	-	1,200	(628)	8,673
29.1.2009	RM0.85	RM0.80	-	7,735	1,146	(395)	8,486

4. American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR.

5. Imposition of Sanctions/Penalties

During the financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by any regulatory bodies.

6. Non-Audit Fees

During the financial year, the non-audit fees paid to the external auditors, or a firm or company affiliated to the external auditors was as follows:-

Name of Affiliated Company	Fees	Purpose
Horwath KL Sdn Bhd	RM23,978	Corporate tax advisory services

7. Variation in Results

There was no significant variance in the Company's audited financial results for the financial year from the unaudited results as previously announced.

8. Profit Guarantee

The Company did not give any profit guarantee during the financial year.

9. Revaluation Policy on Landed Properties

The Company does not have a policy on revaluation of landed properties.

10. Material Contracts

There were no material contracts other those in the ordinary course of business entered into by the Company or its subsidiary companies involving Directors and substantial shareholders' interests during the financial year other than disclosed below:

(i) Packet One Sdn Bhd, a wholly-owned subsidiary of GPB, had on 22 October 2009, entered into a Transfer and Assignment of Facilities Based Operator's (FBO) Licence and Wireless Broadband Access (WBA) Spectrum Right agreement with Pacnet Internet Corporation (S) Pte Ltd ("Pacnet") for the transfer of the FBO Licence and assignment of the WBA Spectrum Right from Pacnet to Packet One (S) Pte Ltd, a wholly-owned subsidiary of Packet One Sdn Bhd, for a total purchase consideration of approximately USD2,041,562.93 (equivalent to approximately RM6,918,856.77) inclusive of FBO Licence fee and WBA Spectrum Right fee, payable fully in cash on the completion date.

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Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of research, development, manufacturing, marketing and distribution of wireless networking and telecommunication products, networking solutions and other high technology products and services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for activities undertaken by the subsidiaries acquired during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Loss after taxation attributable to equity holders	(182,645)	(43,111)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the current financial year,

(a) the Company increased its authorised share capital from RM100,000,000 to RM400,000,000 by the creation of 1,500,000,000 new ordinary shares of RM0.20 each;

(b) the Company increased its issued and paid-up share capital from RM79,987,050 to RM131,460,786 by:

  (i) the issuance of 197,613,775 new ordinary shares of RM0.20 each in the Company for cash pursuant to the Company's renounceable rights issue ("Rights Shares") with free detachable new warrants ("Warrants") on the basis of one (1) Rights Share and One (1) Warrant for every two (2) existing ordinary shares of RM0.20 each held in the Company at an issue price of RM0.50 per Rights Share ("Rights Issue"). The shares were issued for the purpose of working capital; and

  (ii) the issuance of 59,754,903 new ordinary shares of RM0.20 each in the Company for cash pursuant to the Company's private placement at a subscription price of RM1.15 per share. The shares were issued for the purpose of working capital.

ISSUES OF SHARES AND DEBENTURES (cont'd)

All the new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company; and

(c) there were no issues of debentures by the Company during the financial year.

TREASURY SHARES

During the financial year, the Company purchased 1,000 of its issued ordinary shares from the open market at a price of RM1.07 per share. The total consideration paid for the purchase was RM1,072 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and presented as a deduction from shareholders' equity.

As at 31 December 2009, the Company held as treasury shares a total of 4,707,700 of its 657,303,928 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM11,388,802. Relevant details on the treasury shares are disclosed in Note 24 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the issuance of warrants in conjunction with the Rights Issue and the options granted pursuant to the Employees' Share Option Scheme.

WARRANTS 2009/2014

The Company had on 28 September 2009 issued 197,613,775 Warrants in conjunction with the Rights Issue. The Warrants are constituted by a Deed Poll dated 17 August 2009 ("Deed Poll"). The salient features of the Warrants 2009/2014 are as follows:-

(a) The issue date of the Warrants is 28 September 2009 and the expiry date is 27 September 2014. Any Warrant not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.20 each in the Company at an exercise price of RM0.95 per ordinary share;

(c) The exercise price and the number of unexercised Warrants are subject to adjustments in the event of alteration to the share capital of the Company, capital distribution or issue of shares or any other events in accordance with the provisions of the Deed Poll;

(d) The Warrant holders are not entitled to vote in any general meeting of the Company or to participate in any distribution and/or offer of further securities in the Company unless and until the Warrant holders exercise their Warrants for new shares; and

WARRANTS 2009/2014 (cont'd)

(e) The new ordinary shares to be issued upon exercise of the Warrants, shall, upon allotment and issue, rank pari passu with the then existing ordinary shares except that they will not be entitled to dividends, rights, allotments and/or other distributions declared by the Company prior to the relevant allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

The movements of the Warrants during the financial year are as follows:-

	Entitlement Of Ordinary Shares Of RM0.20 Each			
	At 1.1.2009	Issued	Exercised	At 31.12.2009
Number of unexercised warrants (Unit)	-	197,613,775	-	197,613,775

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS is governed by the by-laws approved by the shareholders on 30 March 2006. The ESOS was implemented on 8 August 2006 and is to be in force for a period of 5 years from the date of implementation.

On 29 January 2009, a third allocation of ESOS comprising options over 7,730,000 new ordinary shares of RM0.20 each with an exercise price of RM0.85 per share was issued.

During the financial year and pursuant to the Company's ESOS By-Laws, the number of Options and exercise price of the ESOS had been adjusted on 28 September 2009 after taking into account the completion of the Company's Rights Issue.

There were 3,376,000 additional options issued due to the adjustment made to the number of unexercised options arising from the Rights Issue and the adjustments in the exercise price of the Options after the Rights Issue are as follows:

Outstanding Options	Exercise Price	Adjusted Exercise Price After Rights Shares
Issued on 8 August 2006	RM4.48	RM4.22
Issued on 28 March 2008	RM2.09	RM1.97
Issued on 29 January 2009	RM0.85	RM0.80

The movement in the options to subscribe for the new ordinary shares of RM0.20 each at the respective adjusted exercise price per share is as follows:-

	Number Of Options Over Ordinary Shares Of RM0.20 Each		
	At Exercise Price Of RM4.22 Each '000	At Exercise Price Of RM1.97 Each '000	At Exercise Price Of RM0.80 Each '000
As at 1 January 2009	6,948	8,101	-
Granted during the financial year	-	-	7,735
Adjustment after Rights Issue	1,030	1,200	1,146
Cancellation due to staff resignations	(381)	(628)	(395)
As at 31 December 2009	7,597	8,673	8,486

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (cont'd)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders who were granted less than 300,000 options during the financial year in the annual report. Eligible employees who were granted options under the ESOS of and in excess of 300,000 ordinary shares each are as follows:-

	Number Of Options Over Ordinary Shares Of RM0.20 Each				
	At 1.1.2009	Granted	Adjustment After Rights Issue	Exercised/ Cancelled	At 31.12.2009
Lai Chin Tak	650,000	375,000	151,885	-	1,176,885
Tan Kay Yen	767,500	375,000	169,296	-	1,311,796
Kelvin Lee Tsuan Chin	410,700	225,000	94,198	-	729,898
Wang Chang-Hsien	310,200	225,000	79,306	-	614,506
Huang Dan Dan	360,750	135,000	73,453	-	569,153
Tan Taik Guan	410,750	45,000	67,525	-	523,225
Liew Kok Seong	200,000	225,000	62,977	-	487,977
Kan Tze Chun	275,700	135,000	60,858	-	471,558
Ti Lian Seng	110,000	288,100	58,990	-	457,090
Lim Hooi Seeh	212,000	135,000	51,419	-	398,419
Tang Pen San	331,200	-	49,077	-	380,277
Mohammad Idham Bin Nawawi	-	300,000	44,454	-	344,454
Wong Pei Fern	235,000	60,000	43,713	-	338,713
Md Radzi Bin Din	140,000	135,000	40,750	-	315,750
Khaw Wei Han	217,700	50,000	39,669	-	307,369
Chen Hu	246,200	20,000	39,446	-	305,646
Wong Mei Yin	205,000	60,000	39,268	-	304,268

The interests of the directors in ESOS are disclosed under Directors' Interests. The salient terms and conditions of the ESOS are as follows:-

(i) the ESOS shall be in force for a period of 5 years commencing from the effective date of the implementation of the ESOS and is to expire on 8 August 2011;

(ii) any employee of the Group or director of the Company who is at least 18 years old, and has been confirmed in service for regular full time employment of any company within the Group shall be eligible to participate in the Scheme;

(iii) the total number of new ordinary shares of the Company, which may be made available under the ESOS, shall not exceed 15% of the total issued and paid-up share capital of the Company at any time during the existence of the ESOS;

(iv) not more than 50% of the new ordinary shares of the Company available under the ESOS should be allocated, in aggregate, to the directors and senior management of the Group;

(v) not more than 10% of the new ordinary shares of the Company available under the ESOS should be allocated to any individual eligible employee who holds 20% or more of the issued and paid-up share capital of the Company;

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (cont'd)

(vi) the price at which the option holder is entitled to subscribe for each new ordinary share of the Company may be at a discount of not more than 10% from the 5 day weighted average market price of ordinary shares as at the offer date provided that the subscription price shall in no event be less than the par value of the ordinary shares;

(vii) the options shall be vested annually on each anniversary date commencing 12 months from the date of offer. Options that are vested and therefore exercisable may be carried forward to subsequent years within the duration of the ESOS. Any vested options that remain unexercised at the expiry of the duration of the ESOS shall be automatically terminated without any claims against the Company; and

(viii) the shares to be allotted upon any exercise of an option will rank pari passu in all respects with the existing issued and paid-up share capital of the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities of the Group and of the Company are disclosed in Note 46 to the financial statements. At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

CONTINGENT AND OTHER LIABILITIES (cont'd)

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman
Puan Chan Cheong
Nik Mat Bin Ismail
Tan Sri Dato' Kok Onn
Tan Kin Lee (Resigned on 22 May 2009)
Boey Tak Kong
Yousuf Mohamed Yaqub Khayat
Ng Chee Yuen (As Alternate Director To Yousuf Mohamed Yaqub Khayat) (Resigned on 7 September 2009)
Ong Ju Yan
Yee Chee Wai (As Alternate Director To Ong Ju Yan)
A. Shukor Bin S.A. Karim

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares, warrants and options in the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.20 Each			
	At 1.1.2009	Bought/ Allotted	Sold	At 31.12.2009
THE COMPANY				
DIRECT INTERESTS				
Puan Chan Cheong	2,483,530	1,241,765	300,000	3,425,295
Nik Mat Bin Ismail	823,575	401,787	65,000	1,160,362
Boey Tak Kong	-	550,000	-	550,000

DIRECTORS' INTERESTS (cont'd)

	Number Of Ordinary Shares Of RM0.20 Each			
	At 1.1.2009	Bought/ Allotted	Sold	At 31.12.2009
THE COMPANY				
INDIRECT INTERESTS				
Puan Chan Cheong #	135,422,444	88,185,895	-	223,608,339
Tan Sri Dato' Kok Onn #	135,422,444	88,185,895	-	223,608,339
Ong Ju Yan *	-	125,000	-	125,000

	Number Of Warrants 2009/2014			
	At 1.1.2009	Bought/ Allotted	Sold	At 31.12.2009
THE COMPANY				
DIRECT INTERESTS				
Puan Chan Cheong	-	1,241,765	-	1,241,765
Nik Mat Bin Ismail	-	401,787	255,000	146,787
INDIRECT INTERESTS				
Puan Chan Cheong #	-	67,711,222	23,866,500	43,844,722
Tan Sri Dato' Kok Onn #	-	67,711,222	23,866,500	43,844,722
Ong Ju Yan *	-	280,000	76,300	203,700

 # - Deemed interested by virtue of their direct substantial shareholdings in Green Packet Holdings Ltd.
** - Deemed interested by virtue of his relationship with Melissa Tan Hui-Ping, his spouse.*

	Number Of Options Over Ordinary Shares Of RM0.20 Each				
	At 1.1.2009	Granted	Adjustment After Rights Issue	Exercised	At 31.12.2009
THE COMPANY					
Puan Chan Cheong	1,112,500	1,000,000	313,030	-	2,425,530
Nik Mat Bin Ismail	481,500	150,000	93,575	-	725,075
Tan Sri Dato' Kok Onn	137,500	-	20,375	-	157,875
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman	115,000	-	17,041	-	132,041
Boey Tak Kong	92,500	-	13,707	-	106,207

By virtue of their interests in shares in the Company, Puan Chan Cheong and Tan Sri Dato' Kok Onn are deemed to have interests in the shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act, 1965.

The other directors holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 43 to the financial statements.

Neither during nor at the end of the financial year was the Company or its subsidiaries a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the options granted to the directors pursuant to the ESOS.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 48 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The significant events subsequent to the balance sheet date are disclosed in Note 49 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath (formerly known as Messrs Horwath), have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 19 APRIL 2010

Puan Chan Cheong

Nik Mat Bin Ismail

Statement By Directors

We, Puan Chan Cheong and Nik Mat Bin Ismail, being two of the directors of Green Packet Berhad, state that, in the opinion of the directors, the financial statements set out on pages 59 to 119 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2009 and of their results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 19 APRIL 2010

Puan Chan Cheong **Nik Mat Bin Ismail**

Statutory Declaration

I, Liew Kok Seong, I/C No. 680730-10-6985, being the officer primarily responsible for the financial management of Green Packet Berhad, do solemnly and sincerely declare that the financial statements set out on pages 59 to 119 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Liew Kok Seong, I/C No. 680730-10-6985,
at Kuala Lumpur in the Federal Territory
on this 19 April 2010

Liew Kok Seong

Before me
Mohd Radzi Bin Yasin (No: W 327)

Independent Auditors' Report

To The Members Of Green Packet Berhad

(Incorporated In Malaysia)
Company No : 534942 - H

We have audited the financial statements of Green Packet Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 59 to 119.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements;

Report on Other Legal and Regulatory Requirements (cont'd)

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes; and

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Lee Kok Wai
Approval No: 2760/06/10 (J)
Chartered Accountant

Kuala Lumpur
19 April 2010

Balance Sheets
At 31 December 2009

	Note	The Group 2009 RM'000	The Group 2008 RM'000	The Company 2009 RM'000	The Company 2008 RM'000
ASSETS					
Non-Current Assets					
Investment in subsidiaries	6	-	-	75,860	73,296
Investment in associates	7	18,785	33,161	20,108	29,108
Property, plant and equipment	8	467,079	177,272	6,819	6,543
Prepaid land lease payments	9	17,171	17,488	-	-
Development costs	10	60,790	47,348	15,282	12,443
Intellectual property	11	9,500	11,780	9,500	11,780
Other investments	12	9,263	18,763	320,591	219,864
Goodwill on consolidation	13	23,141	12,786	-	-
Amount owing by a subsidiary	17	-	-	50,000	50,000
		605,729	318,598	498,160	403,034
Current Assets					
Inventories held for resale	14	35,732	17,938	24,463	4,863
Trade receivables	15	42,840	31,082	7,277	12,247
Other receivables, deposits and prepayments	16	147,882	31,586	73,463	12,456
Amount owing by subsidiaries	17	-	-	125,807	59,734
Tax refundable		561	1,853	140	232
Deposits with licensed banks	18	2,792	59,934	1,133	1,569
Cash and bank balances	19	144,363	221,290	119,611	182,064
		374,170	363,683	351,894	273,165
TOTAL ASSETS		979,899	682,281	850,054	676,199
EQUITY AND LIABILITIES					
Equity					
Share capital	20	131,461	79,987	131,461	79,987
Share premium	21	345,530	292,274	345,530	292,274
Foreign exchange translation reserve	22	419	1,269	19	50
(Accumulated loss)/Retained profits	23	(139,706)	42,939	48,713	91,824
Treasury shares	24	(11,389)	(11,388)	(11,389)	(11,388)
Other reserve	25	69,204	7,336	69,204	7,336
SHAREHOLDERS' EQUITY		395,519	412,417	583,538	460,083
MINORITY INTERESTS		5,307	11,952	-	-
TOTAL EQUITY		400,826	424,369	583,538	460,083

The annexed notes form an integral part of these financial statements.

Balance Sheets

At 31 December 2009 (continued)

	Note	The Group 2009 RM'000	The Group 2008 RM'000	The Company 2009 RM'000	The Company 2008 RM'000
NON-CURRENT LIABILITIES					
Hire purchase payables	26	8,952	4,172	441	639
Bank borrowings	27	162,998	136,653	15,554	15,553
GCEB	28	50,000	50,000	50,000	50,000
Other payables and accruals	29	100,672	-	-	-
Deferred taxation	30	2,499	2,418	-	-
		325,121	193,243	65,995	66,192
CURRENT LIABILITIES					
Trade payables	31	67,951	10,869	22,287	3,155
Other payables and accruals	29	147,470	47,993	7,417	903
Hire purchase payables	26	6,012	3,021	198	192
Bank borrowings	27	32,519	2,786	9,264	2,786
Amount owing to subsidiaries	17	-	-	147,068	142,493
Amount owing to a related company	32	-	-	14,287	395
		253,952	64,669	200,521	149,924
TOTAL LIABILITIES		579,073	257,912	266,516	216,116
TOTAL EQUITY AND LIABILITIES		979,899	682,281	850,054	676,199
NET ASSETS PER SHARE (SEN)	33	61	104		

The annexed notes form an integral part of these financial statements.

Income Statements
For The Financial Year Ended 31 December 2009

	Note	The Group 2009 RM'000	The Group 2008 RM'000	The Company 2009 RM'000	The Company 2008 RM'000
REVENUE	34	217,815	87,495	47,938	13,174
COST OF SALES		(137,593)	(64,876)	(31,439)	(7,900)
GROSS PROFIT		80,222	22,619	16,499	5,274
OTHER INCOME		3,160	14,414	9,241	12,394
		83,382	37,033	25,740	17,668
ADMINISTRATIVE EXPENSES		(63,720)	(54,612)	(19,620)	(16,008)
SELLING AND DISTRIBUTION EXPENSES		(135,189)	(10,999)	-	-
OTHER EXPENSES		(58,716)	(20,131)	(37,094)	(9,956)
FINANCE COSTS		(10,050)	(419)	(9,754)	(2,687)
SHARE OF LOSS IN ASSOCIATES		(669)	(9,513)	-	-
LOSS BEFORE TAXATION	35	(184,962)	(58,641)	(40,728)	(10,983)
INCOME TAX EXPENSE	36	(2,448)	(1,653)	(2,383)	(835)
LOSS AFTER TAXATION		(187,410)	(60,294)	(43,111)	(11,818)
ATTRIBUTABLE TO:-					
EQUITY HOLDERS OF THE COMPANY		(182,645)	(55,242)	(43,111)	(11,818)
MINORITY INTERESTS		(4,765)	(5,052)	-	-
		(187,410)	(60,294)	(43,111)	(11,818)
LOSS PER SHARE (SEN)					
- Basic	37	(40)	(17)		
- Diluted	37	N/A	N/A		

The annexed notes form an integral part of these financial statements.

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2009

	Attributable To Equity Holders Of Company							
	Share Capital	← Non-Distributable				Distributable →		
The Group	Ordinary Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign Exchange Translation Reserve RM'000	Other Reserve RM'000	Retained Profits/ (Accumulated Loss) RM'000	Minority Interests RM'000	Total Equity RM'000
Balance at 1.1.2008	66,656	259,002	(6,687)	(199)	3,254	98,181	20,906	441,113
Issuance of ordinary shares pursuant to private placement	13,331	33,328	-	-	-	-	-	46,659
Expenses incurred on issuance of ordinary shares #	-	(56)	-	-	-	-	-	(56)
Share options granted under ESOS	-	-	-	-	4,082	-	-	4,082
Treasury shares acquired	-	-	(4,701)	-	-	-	-	(4,701)
Acquisition from minority interests	-	-	-	-	-	-	(3,062)	(3,062)
Disposal of a subsidiary	-	-	-	-	-	-	(840)	(840)
Loss after taxation	-	-	-	-	-	(55,242)	(5,052)	(60,294)
Currency translation difference not recognised in the income statement #	-	-	-	1,468	-	-	-	1,468
Balance at 31.12.2008/1.1.2009	79,987	292,274	(11,388)	1,269	7,336	42,939	11,952	424,369
Issuance of ordinary shares pursuant to Rights Issue	39,523	-	-	-	59,284	-	-	98,807
Issuance of ordinary shares pursuant to private placement	11,951	56,767	-	-	-	-	-	68,718
Expenses incurred on issuance of ordinary shares #	-	(3,511)	-	-	(1,570)	-	-	(5,081)
Share options granted under ESOS	-	-	-	-	4,154	-	-	4,154
Treasury shares acquired	-	-	(1)	-	-	-	-	(1)
Acquisition from minority interests-		-	-	-	-	-	(1,880)	(1,880)
Loss after taxation	-	-	-	-	-	(182,645)	(4,765)	(187,410)
Currency translation difference not recognised in the income statement #	-	-	-	(850)	-	-	-	(850)
Balance at 31.12.2009	131,461	345,530	(11,389)	419	69,204	(139,706)	5,307	400,826

- represents income or expenses recognised directly in equity.

The annexed notes form an integral part of these financial statements.

Statements Of Changes In Equity

For The Financial Year Ended 31 December 2009 (continued)

	Attributable To Equity Holders Of Company						
	Share Capital	← Non-Distributable				→ Distributable	
THE COMPANY	Ordinary Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign Exchange Translation Reserve RM'000	Other Reserve/ RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.1.2008	66,656	259,002	(6,687)	173	3,254	103,642	426,040
Issuance of ordinary shares pursuant to private placement	13,331	33,328	-	-	-	-	46,659
Expenses incurred on issuance of ordinary shares #	-	(56)	-	-	-	-	(56)
Share options granted under ESOS	-	-	-	-	4,082	-	4,082
Treasury shares acquired	-	-	(4,701)	-	-	-	(4,701)
Loss after taxation	-	-	-	-	-	(11,818)	(11,818)
Currency translation difference not recognised in the income statement #	-	-	-	(123)	-	-	(123)
Balance at 31.12.2008/1.1.2009	79,987	292,274	(11,388)	50	7,336	91,824	460,083
Issuance of ordinary shares pursuant to Rights Issues	39,523	-			59,284	-	98,807
Issuance of ordinary shares pursuant to private placement	11,951	56,767	-	-	-	-	68,718
Expenses incurred on issuance of ordinary shares #	-	(3,511)	-	-	(1,570)	-	(5,081)
Share options granted under ESOS	-	-	-	-	4,154	-	4,154
Treasury shares acquired	-	-	(1)	-	-	-	(1)
Loss after taxation	-	-	-	-	-	(43,111)	(43,111)
Currency translation difference not recognised in the income statement #	-	-	-	(31)	-	-	(31)
Balance at 31.12.2009	131,461	345,530	(11,389)	19	69,204	48,713	583,538

- represents income or expenses recognised directly in equity.

The annexed notes form an integral part of these financial statements.

Cash Flow Statements
For The Financial Year Ended 31 December 2009

	Note	The Group 2009 RM'000	The Group 2008 RM'000	The Company 2009 RM'000	The Company 2008 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES					
Loss before taxation		(184,962)	(58,641)	(40,728)	(10,983)
Adjustments for:-					
Allowance for doubtful debts		8,379	482	-	-
Amortisation of:					
- development costs		3,750	2,173	1,415	518
- intellectual property		2,280	2,280	2,280	2,280
- prepaid land lease payments		317	169	-	-
Bad debts written off		-	5,828	-	33
Depreciation of property, plant and equipment		15,574	4,959	1,745	729
Development costs written off		3,882	807	-	-
Equipment written off		2,976	36	-	-
Impairment loss on other investment		9,500	-	9,500	-
Impairment loss on investment in subsidiary		-	-	11,000	-
Impairment loss on investment in associates		9,000	625	9,000	625
Interest expense		10,050	492	9,754	2,687
Inventories written down		4,036	84	-	-
Share options granted under ESOS		4,154	4,082	4,154	4,082
(Gain)/Loss on disposal of property, plant and equipment		(17)	(158)	(4)	50
Loss on disposal of a subsidiary	39	-	1,266	-	565
Unrealised (gain)/loss on foreign exchange		(145)	(3,616)	1,275	(3,587)
Interest income		(2,546)	(4,631)	(8,015)	(8,435)
Tax-exempted distribution from unit trusts		-	(14)	-	(12)
Loss on partial disposal of a subsidiary		-	278	-	-
Share of loss in associates		669	9,513	-	-
Operating (loss)/profit before working capital changes		(113,103)	(33,986)	1,376	(11,448)
(Increase)/Decrease in inventories held for resale		(21,830)	1,283	(19,600)	(4,690)
(Increase)/Decrease in trade and other receivables		(135,869)	(10,888)	(57,312)	14,645
Increase/(Decrease) in trade and other payables		126,864	885	25,646	(5,012)
(Increase)/Decrease in amount owing by subsidiaries		-	-	(10,059)	286
CASH FOR OPERATIONS CARRIED FORWARD		(143,938)	(42,706)	(59,949)	(6,219)
CASH FOR OPERATIONS CARRIED FORWARD		(143,938)	(42,706)	(59,949)	(6,219)
Interest paid		(10,050)	(492)	(9,754)	(2,687)
Tax paid		(1,075)	(942)	(2,291)	(997)
NET CASH FOR OPERATING ACTIVITIES		(155,063)	(44,140)	(71,994)	(9,903)

The annexed notes form an integral part of these financial statements.

Cash Flow Statements

For The Financial Year Ended 31 December 2009 (continued)

	NOTE	The Group 2009 RM'000	The Group 2008 RM'000	The Company 2009 RM'000	The Company 2008 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of subsidiaries	38	(213)	(3,374)	(73)	(3,374)
Additional investment in subsidiaries		(7,650)	(3,062)	(13,491)	(6,585)
Additional investment in an associate		-	(2,625)	-	(2,625)
Addition of other investments		-	(168)	-	(168)
Proceeds from disposal of a subsidiary	39	-	6,609	392	12,050
Purchase of property, plant and equipment	40	(165,002)	(130,410)	(2,659)	(4,700)
Proceeds from disposal of property, plant and equipment		412	291	-	18
Development costs incurred		(20,367)	(21,988)	(4,004)	(4,805)
Advances to subsidiaries		-	-	(56,432)	(65,295)
Interest received		2,546	4,631	8,015	8,435
Unit trust distribution received		-	14	-	12
Subscription of RCPS-i/IICPS		(226)	(1,101)	(110,227)	(201,101)
NET CASH FOR INVESTING ACTIVITIES		(190,500)	(151,183)	(178,479)	(268,138)
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from a related company		-	-	13,892	194
Advances from a subsidiary		-	-	4,993	129,433
Proceeds from issuance of ordinary shares		167,525	46,659	167,525	46,659
Proceeds from issuance of GCEB		-	50,000	-	50,000
Expenses incurred on issuance of ordinary shares		(5,081)	(56)	(5,081)	(56)
Net drawdown of term loan		56,078	130,668	6,479	18,339
Repayment of hire purchase obligations		(6,177)	(852)	(192)	(180)
Treasury shares acquired		(1)	(4,701)	(1)	(4,701)
NET CASH FROM FINANCING ACTIVITIES		212,344	221,718	187,615	239,688
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS/ BALANCE CARRIED FORWARD		(133,219)	26,395	(62,858)	(38,353)
BALANCE BROUGHT FORWARD		(133,219)	26,395	(62,858)	(38,353)
Foreign exchange translation differences		(850)	12,362	(31)	10,844
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		281,224	242,467	183,633	211,142
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	41	147,155	281,224	120,744	183,633

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.
Principal place of business	:	Packet Hub, 159 Jalan Templer, 46050 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 19 April 2010.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of research, development, manufacturing, marketing and distribution of wireless networking and telecommunication products, networking solutions and other high technology products and services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for activities undertaken by the subsidiaries acquired during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign exchange risk on investments, borrowings, sales and purchases that are denominated in foreign currencies. It manages its foreign exchange exposure by a policy of matching as far as possible receipts and payments in each individual currency.

Surpluses of convertible currencies are either retained in foreign currency or sold for Ringgit Malaysia. The Group's foreign currency transactions and balances are substantially denominated in United States ("US") Dollar, Chinese Renminbi, Bahraini Dinar and New Taiwan Dollar.

(ii) Interest Rate Risk

The Group obtains financing through GCEB, hire purchase and loan facilities. Its policy is to obtain the most favourable interest rates available for hire purchase and loan facilities. The coupon rate of 4.5% payable to the Bond holder for GCEB is a fixed finance cost, and hence is not exposed to any interest rate risk.

Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

3. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(a) Market Risk (cont'd)

(iii) Price Risk

The Group does not have any quoted investments and hence is not exposed to price risk.

(b) Credit Risk

The Group's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group does not have any concentration of credit risks related to any individual customer or counterparty at the balance sheet date.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(c) Liquidity and Cash Flow Risks

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and adequate working capital to meet its obligations as and when they fall due.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

The Group has not applied in advance the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

FRSs/IC Interpretations	Effective date
Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010

4. BASIS OF PREPARATION (cont'd)

FRSs/IC Interpretations (cont'd)	Effective date
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments	1 January 2010/1 March 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Annual Improvements to FRSs (2009)	1 January 2010

The above FRSs, IC Interpretations and amendments are not relevant to the Group's operations except as follows:

The revised FRS 3 (2010) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

The Group considers financial guarantee contracts entered into to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 is expected to have no material impact on the financial statements of the Group.

The possible impacts of FRS 7 (including the subsequent amendments) and the revised FRS 139 (2010) on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

4. BASIS OF PREPARATION (cont'd)

FRS 8 replaces FRS 114_{2004} Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of the Group's financial statements in the next financial year.

The revised FRS 127 (2010) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of the revised FRS 127 (2010) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

Amendments to FRS 1 and FRS 127 remove the definition of "cost method' currently set out in FRS 127, and instead require an investor to recognise all dividend from subsidiaries, jointly controlled entities or associates as income in its separate financial statements. In addition, FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Company for the current financial year but may impact the accounting for future transactions or arrangements.

Amendments to FRS 2: Vesting Conditions and Cancellation clarify the definition of vesting conditions for the purposes of FRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

Amendments to FRS 5 requires assets and liabilities of a subsidiary to be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

Amendments to FRS 138 clarify the requirements under the revised FRS 3 (2010) regarding accounting for intangible assets acquired in a business combination. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

4. BASIS OF PREPARATION (cont'd)

IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application. .

IC Interpretation 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash settled share-based payment transactions in the separate financial statements of the parent and group companies. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

Amendments to IC Interpretation 9 are a consequential amendment from the revised FRS 3 (2010). These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

Annual Improvements to FRSs (2009) contain amendments to 21 accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application except for leasehold land where in substance a finance lease will be reclassified from 'prepaid lease payments' to 'property, plant and equipment' and measured as such retrospectively.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Critical Accounting Estimates And Judgements (cont'd)

(iii) Impairment of Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Amortisation of Development Costs

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

(v) Allowance for Doubtful Debts of Receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(vi) Allowance for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vii) Share-based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

(viii) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(c) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency. The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currencies are converted into RM at the approximate rates of exchange ruling at the transaction dates. Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

(iii) Foreign Operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition of foreign operations, are translated to RM for consolidation at the rates of exchange ruling at the balance sheet date. Revenues and expenses of foreign operations are translated into RM at the average rates for the financial year. All resulting exchange differences arising on translation are recognised as a separate component of equity. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Functional and Foreign Currencies (cont'd)

(iii) Foreign Operations (cont'd)

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of foreign currency balances at the balance sheet date are as follows:-

	2009 RM	2008 RM
Bahraini Dinar	8.89	9.23
Pound Sterling	5.50	5.01
United States Dollar	3.41	3.46
Chinese Renminbi	0.50	0.51
New Taiwan Dollar	0.11	0.11
Singapore Dollar	2.44	2.41
Australian Dollar	3.07	2.40
Thai Baht	0.10	0.10

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2009.

A subsidiary is defined as a company in which the Group has the power, directly or indirectly, to exercise control over the financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method of accounting. Under the purchase method of accounting, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary's net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of the subsidiary to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated balance sheet consist of the minorities' share of fair values of the identifiable, assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of acquisition.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.

(f) Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that expenditure incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the asset under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its ability to use or sell the developed asset; and

(v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense are not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 10 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

(g) Intangible Assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Intangible Assets (cont'd)

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The intangible assets are amortised on a straight-line method over a period of 10 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

(h) Investments

(i) Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries and associates, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(ii) Other Investments

Other investments held on a long-term basis are stated at cost less allowance for permanent diminution in value.

On the disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(i) Associates

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investments in associates in the consolidated financial statements are accounted for under the equity method, based on the financial statements of the associates made up to 31 December 2009. The Group's share of the post acquisition profits of the associates is included in the consolidated income statement and the Group's interest in associates is stated at cost plus the Group's share of the post-acquisition retained profits and reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Long leasehold building	3%
Motor vehicles	20%
Plant and machinery	25% - 33%
Office equipment	10% - 20%
Furniture and fittings	10% - 20%
Computer equipment	17% - 33%
Renovation	10% - 50%
Computer software	20% - 33%
Broadband infrastructure	10%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

Capital work-in-progress represents construction of broadband infrastructure which are not ready for commercial use at the balance sheet date. Capital work-in-progress comprising mainly broadband infrastructure assets and equipment are not depreciated until they are ready for intended use.

Broadband infrastructure costs include all expenditure up to and including the last distribution point before customers' premises. These primarily include materials, transmission and related equipment, contractors' charges, engineering, site development, interest, labour and other overheads relating to the construction and development of the infrastructure. Included in broadband infrastructure costs are also systems and software costs which are integral to the broadband infrastructure roll-out.

(k) Impairment of Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and its value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of Assets (cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(l) Assets under Hire Purchase and Lease

Leases of plant and equipment where substantially all the benefits and risk of ownership are transferred to the Group are classified as finance leases.

Plant and equipment acquired under finance lease and hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective lease and hire purchase agreements.

Plant and equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

(m) Prepaid Land Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use rights is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the income statement on a straight-line basis over the term of the lease of 99 years.

(n) Intellectual Property

The intellectual property consists of the acquisition cost of the exclusive rights of a suite of software modules, including the trademarks, copyright, source codes and associated documentation. The acquisition cost is capitalised as an intangible asset as it is able to generate future economic benefits to the Group.

The intellectual property is amortised on a straight-line basis over the period of 10 years during which its economic benefits are expected to be consumed.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

(p) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(q) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(r) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

(s) Interest-bearing Borrowings

The interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(u) Guaranteed Redeemable Convertible Exchangeable Bond

FRS 132 - Financial Instruments: Disclosures and Presentation, requires an issuer of a financial instrument to classify the instrument either as a liability or equity in accordance with the substance of the contractual arrangement on initial recognition. As a consequence, the Guaranteed Redeemable Convertible Exchangeable Bond for which the redemption is probable, is classified as a liability under such circumstances.

(v) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options as shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in shareholders' equity.

(x) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(y) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(iii) Share-based Payment Transactions

At grant date, the fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(z) Related Parties

A party is considered to be related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(aa) Revenue Recognition

(i) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Services

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iii) Interest Income

Interest income is recognised on an accrual basis based on the effective yield on the investment.

(ab) Segmental Information

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of plant and equipment (net of accumulated depreciation, where applicable), other investments, inventories, receivables and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities and borrowings from financial institutions.

Segment revenue, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	75,860	73,296

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2009	2008	
Green Packet (Shanghai) Ltd. *	The People's Republic of China	100%	100%	Research, development, marketing and distribution of wireless networking and telecommunications products and solutions.

6. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest 2009	Effective Equity Interest 2008	Principal Activities
Green Packet Ventures Ltd.	The British Virgin Islands	100%	100%	Investment holding.
Green Packet Networks (Singapore) Pte. Ltd. ("GPNS") *	The Republic of Singapore	100%	100%	Investment holding.
Green Packet (Australia) Pty. Ltd. *	Australia	100%	100%	Marketing of wireless broadband equipment, systems and solutions.
Green Packet International Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Packet One Sdn. Bhd. ("POSB") .	Malaysia	100%	100%	Investment holding
First Wireless Sdn. Bhd.	Malaysia	70%	70%	Development and marketing of wireless broadband equipment, systems and solutions.
Next Telecommunications Sdn. Bhd. ("NTSB")	Malaysia	100%	100%	Provision of total communication services, solutions and products.
Millercom Sdn. Bhd. ("MSB") @	Malaysia	55%	55%	Sales agent of prepaid cards and call shop sales.
Next Global Technology Sdn. Bhd. ("NGTSB")	Malaysia	100%	100%	Research and development of total value added data network and communication services.
Packet One Networks (Malaysia) Sdn. Bhd. ("PONSB")	Malaysia	55%	55%	Provision of last mile broadband network infrastructure facilities and services.
Packet Interactive Sdn. Bhd. (formerly known as Packet Nation Sdn. Bhd.)	Malaysia	100%	100%	Provision of total contents and value added services.
P1. Com Sdn. Bhd. ("P1CSB") @	Malaysia	55%	55%	A collector of telecommunications revenue for fellow group companies.
Green Packet Networks W.L.L. ("GPNWLL") *	Kingdom of Bahrain	100%	50.01%	Supply and management of telecommunications network equipment.

6. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest 2009	Effective Equity Interest 2008	Principal Activities
Green Packet Networks (Taiwan) Pte. Ltd. ("GPNTPL") *	Taiwan	100%	100%	Marketing and distribution of wireless networking and telecommunications products, networking solutions and other high technology products and services.
Green Packet (L) Ltd. ("GPLL") *	Malaysia	100%	100%	Investment holding and special purpose vehicle for procurement of funds.
NGT Networks Pte. Ltd *#	The Republic of Singapore	100%	100%	Provision of international voice traffic.
RuumzNation Sdn. Bhd. ("RNSB") @	Malaysia	55%	100%	Provision of social online networking services.
OneVois Sdn. Bhd. ("OVSB") #	Malaysia	100%	100%	Provision of total communication services, solutions and products.
OneVois Global Co Ltd ("OVG") ##*	Thailand	33%	-	Provision of total communication services, solutions and products
OneVois Communication Co Ltd ("OVC") ### *	Thailand	60%	-	Provision of total communication services, solutions and products
Worldline Enterprise Sdn. Bhd. ("WESB")	Malaysia	100%	100%	Letting and management of properties and property investment.
Packet One International Pte. Ltd ("POI") *	The Republic of Singapore	70%	90%	Provision of total consultancy services, solutions and products.
Packet One (S) Pte. Ltd ("P1s") *	The Republic of Singapore	100%	-	Provision of last mile broadband network infrastructure facilities and services
Inova Venture Pte. Ltd. ("IVPL") ^*	The Republic of Singapore	71%	-	Provision of support services to telecommunication industry, general importers and exporters.
Brillante Novastella Sdn. Bhd. ("BNSB") ^^*	Malaysia	71%	-	Software development.

* *Not audited by Messrs. Crowe Horwath.*
\# *Held through NGTSB*
\## *Held through GPNS (carries 60% effective voting rights in OVG)*
\### *Held through GPNS and OVG (carries 76% effective voting rights in OVC)*
@ *Held through PONSB.*
^ *Held through Green Packet Ventures Ltd.*
^^ *Held through Inova Venture Pte. Ltd.*

7. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Quoted shares, at cost	-	29,733	29,733	29,733
Unquoted shares, at cost	29,733	4,557	-	-
Share of post acquisition (loss)/profit	(6,515)	(5,696)	-	-
Gain on dilution of investment	5,192	5,192	-	-
	28,410	33,786	29,733	29,733
Impairment loss on investment in associates:-				
At 1 January	(625)	-	(625)	-
Addition during the year	(9,000)	(625)	(9,000)	(625)
	(9,625)	(625)	(9,625)	(625)
At 31 December	18,785	33,161	20,108	29,108
Market value of quoted shares	-	2,390	-	2,390

Details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2009	Effective Equity Interest 2008	Principal Activities
GMO Limited ("GMOL") #	Jersey, Channel Islands	-	27.4%	Investment holding.
GMO Global Limited *	The British Virgin Islands	27.9%	27.4%	Investment holding.
MH Capital Inc. *	The British Virgin Islands	19.5%	19.2%	Research and development of wireless networking and telecommunication products, networking solutions and other high technology products and services.
MH Technology Limited *	The People's Republic of China	19.5%	19.2%	Research, development and commercialisation of internet application, telecommunication and multimedia technology, design and production of webpage and other related technical training and services.
Inova Venture Pte. Ltd. ("IVPL") ^	The Republic of Singapore	-	20.0%	Provision of support services to telecommunication, general importers and exporters.
Brillante Novastella Sdn. Bhd. ("BNSB") **	Malaysia	-	20.0%	Software development.

 # Listed on the Alternative Investment Market, London ("AIM").
** Held through GMO Limited/GMO Global Limited.*
^ Held through Green Packet Ventures Ltd.
*** Held through Inova Venture Pte. Ltd.*

7. INVESTMENT IN ASSOCIATES (cont'd)

During the financial year, GMOL was delisted from AIM market and subsequently carried out a group restructuring exercise. The restructuring exercise was completed on 8 December 2009 and resulted in GMOL being officially wound up on 30 December 2009. After the restructuring, the Group holds GMO Global Limited directly as its associate from 8 December 2009 onwards.

The summarised financial information of the associates are as follows:-

	2009 RM'000	2008 RM'000
Assets and Liabilities		
Total assets	71,763	109,489
Total liabilities	(1,071)	(5,653)
Results		
Revenue	22,977	21,283
Profit/(Loss) for the year	(6,007)	(35,836)

During the financial year, the Group assessed the recoverable amount of goodwill included in the investment in associates, and determined that the carrying amount is lower than the recoverable amount. Accordingly, an impairment loss of RM9 million was provided during the financial year. The basis of the determination of the recoverable amount is set out below.

The investment in associates is considered to be one cash-generating segment as all the associates operate in the same business segment in the PRC. Therefore, goodwill is allocated to the entire segment without segregating it to the individual companies within the GMO Global and its subsidiary ("GMO Group"). The recoverable amount of GMO Group is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from this segment computed based on the projections of financial budgets approved by management covering a period of five years. The key assumptions used in the determination of the recoverable amount are as follows:-

Item	Assumptions Used	Basis of Assumptions
(a) Budgeted gross margin	10% of revenue	The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements and cost saving measures.
(b) Annual growth rate of revenue	25%, compounded annually	The growth rates used are based on the expected projection of the telecommunication services.
(c) Discount rate of cash flows	10%	The discount rate used is the pre-tax and it reflects specific risks relating to the relevant segment.

8. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2009 RM'000	Acquisition Of A Subsidiary RM'000	Additions RM'000	Written Off RM'000	Disposals RM'000	Exchange Translation Reserve RM'000	Depreciation Charge RM'000	At 31.12.2009 RM'000
THE GROUP								
NET BOOK VALUE								
Long leasehold building	17,433	-	-	-	-	-	-	17,433
Motor vehicles	1,235	-	587	-	-	-	(522)	1,300
Plant and machinery	967	-	267	-	(289)	-	(256)	689
Office equipment	9,274	-	-	(2,662)	-	-	(1,428)	5,184
Furniture and fittings	1,045	-	1,090	-	-	-	(232)	1,903
Computer equipment	3,534	-	1,764	(201)	(33)	-	(1,517)	3,547
Renovation	6,790	-	3,335	(29)	-	-	(1,799)	8,297
Computer software	985	1,074	12,343	(84)	(73)	-	(1,001)	13,244
Broadband infrastructure	36,277	-	251,145	-	-	-	(10,830)	276,592
Capital work-in-progress	99,732	-	39,158	-	-	-	-	138,890
	177,272	1,074	309,689	(2,976)	(395)	-	(17,585)	467,079

	At 1.1.2008 RM'000	Acquisition Of A Subsidiary RM'000	Additions RM'000	Written Off RM'000	Disposals RM'000	Disposal Of A Subsidiary RM'000	Exchange Translation Reserve RM'000	Depreciation Charge RM'000	At 31.12.2008 RM'000
THE GROUP									
NET BOOK VALUE									
Long leasehold building	-	17,656	-	-	-	-	-	(223)	17,433
Motor vehicles	1,508	-	225	-	-	(4)	2	(496)	1,235
Plant and machinery	2,553	-	435	-	-	(323)	1	(1,699)	967
Office equipment	918	5,687	3,529	-	(21)	-	30	(869)	9,274
Furniture and fittings	773	-	510	-	(24)	(85)	37	(166)	1,045
Computer equipment	2,352	-	2,493	(36)	(3)	(110)	11	(1,174)	3,533
Renovation	595	-	6,647	-	(113)	(73)	1	(267)	6,790
Computer software	723	-	512	-	(5)	-	3	(247)	986
Broadband infrastructure	-	-	37,016	-	-	-	-	(739)	36,277
Capital work-in-progress	15,781	-	83,951	-	-	-	-	-	99,732
	25,203	23,343	135,318	(36)	(166)	(595)	85	(5,880)	177,272

- Less than RM1,000.

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

THE GROUP	Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
AT 31.12.2009			
Long leasehold building	17,656	(223)	17,433
Motor vehicles	3,041	(1,741)	1,300
Plant and machinery	6,248	(5,559)	689
Office equipment	8,700	(3,516)	5,184
Furniture and fittings	2,482	(579)	1,903
Computer equipment	7,297	(3,750)	3,547
Renovation	10,467	(2,170)	8,297
Computer software	14,778	(1,534)	13,244
Broadband infrastructure	289,340	(12,748)	276,592
Capital work-in-progress	138,890	-	138,890
	498,899	(31,820)	467,079

THE GROUP			
At 31.12.2008			
Long leasehold building	17,656	(223)	17,433
Motor vehicles	2,455	(1,220)	1,235
Plant and machinery	6,270	(5,303)	967
Office equipment	11,362	(2,088)	9,274
Furniture and fittings	1,391	(346)	1,045
Computer equipment	5,766	(2,233)	3,533
Renovation	7,161	(371)	6,790
Computer software	1,519	(533)	986
Broadband infrastructure	38,195	(1,918)	36,277
Capital work-in-progress	99,732	-	99,732
	191,507	(14,235)	177,272

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	At 1.1.2009 RM'000	Additions RM'000	Disposals RM'000	Exchange Translation Reserve RM'000	Depreciation Charge RM'000	At 31.12.2009 RM'000
THE COMPANY						
NET BOOK VALUE						
Motor vehicles	708	-	-	-	(316)	392
Plant and machinery	482	154	(289)	-	(187)	160
Office equipment	254	130	-	-	(81)	303
Furniture and fittings	145	360	-	-	(74)	431
Computer equipment	712	452	(27)	-	(208)	929
Renovation	4,046	1,427	-	-	(1,075)	4,398
Computer software	196	136	(72)	-	(54)	206
	6,543	2,659	(388)	-	(1,995)	6,819

	At 1.1.2008 RM'000	Additions RM'000	Disposals RM'000	Exchange Translation Reserve RM'000	Depreciation Charge RM'000	At 31.12.2008 RM'000
THE COMPANY						
NET BOOK VALUE						
Motor vehicles	1,024	-	-	-	(316)	708
Plant and machinery	685	126	-	-	(329)	482
Office equipment	185	128	-	2	(61)	254
Furniture and fittings	104	94	(14)	-	(39)	145
Computer equipment	701	268	(3)	6	(260)	712
Renovation	152	4,055	(45)	-	(116)	4,046
Computer software	269	29	(5)	-	(97)	196
	3,120	4,700	(67)	8	(1,218)	6,543

- Less than RM1,000.

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

THE COMPANY	Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
Motor vehicles	1,578	(1,186)	392
Plant and machinery	1,667	(1,507)	160
Office equipment	577	(274)	303
Furniture and fittings	635	(204)	431
Computer equipment	1,323	(394)	929
Renovation	5,691	(1,293)	4,398
Computer software	553	(347)	206
	12,024	(5,205)	6,819
THE COMPANY			
AT 31.12.2008			
Motor vehicles	1,578	(870)	708
Plant and machinery	1,285	(803)	482
Office equipment	447	(193)	254
Furniture and fittings	275	(130)	145
Computer equipment	1,399	(687)	712
Renovation	4,264	(218)	4,046
Computer software	520	(324)	196
	9,768	(3,225)	6,543

Included in property, plant and equipment of the Group and of the Company are the following assets acquired under hire purchase terms:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Motor vehicles	1,300	1,189	392	708
Computer equipment	103	-	-	-
Computer software	2,031	-	-	-
Capital work-in-progress	15,601	8,144	-	-
	19,035	9,333	392	708

The long leasehold building has been pledged as security for banking facilities granted to the Company as disclosed in Note 27 to the financial statements.

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The depreciation charge of the Group and of the Company are allocated as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Income statement	15,574	4,959	1,745	729
Research and development expenditure (Note 10)	707	427	250	200
Capital work-in-progress	1,304	494	-	-
Costs reimbursed from subsidiaries	-	-	-	289
	17,585	5,880	1,995	1,218

9. PREPAID LAND LEASE PAYMENTS

	The Group	
	2009 RM'000	2008 RM'000
At cost	17,657	17,657
Accumulated amortisation	(486)	(169)
	17,171	17,488
Accumulated amortisation at 1.1.2009/2008	(169)	-
Amortisation for the financial year	(317)	(169)
Accumulated amortisation at 31.12.2009/31.12.2008	(486)	(169)

Prepaid land lease payments which represent leasehold land have been pledged as security for banking facilities granted to the Company as disclosed in Note 27 to the financial statements.

10. DEVELOPMENT COSTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	51,696	30,087	14,557	9,552
Development costs capitalised during the financial year	21,074	22,811	4,254	5,400
Development costs written off	(3,882)	(807)	-	-
Transfer to work-in-progress	-	(395)	-	(395)
	68,888	51,696	18,811	14,557
Government grants	(489)	(489)	(489)	(489)
	68,399	51,207	18,322	14,068
Amortisation of development costs:-				
At 1 January	(3,859)	(1,686)	(1,625)	(1,107)
Amortisation charge	(3,750)	(2,173)	(1,415)	(518)
	(7,609)	(3,859)	(3,040)	(1,625)
At 31 December	60,790	47,348	15,282	12,443

10. DEVELOPMENT COSTS (cont'd)

Development costs for the financial year included the following expenses:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Depreciation of plant and equipment	707	427	250	200
Interest expense	72	44	-	-
Rental of premises	230	249	128	69
Staff costs	4,230	6,566	1,135	579

11. INTELLECTUAL PROPERTY

	The Group/The Company	
	2009 RM'000	2008 RM'000
Intellectual property, at cost	22,800	22,800
Amortisation of intellectual property:-		
At 1 January	(11,020)	(8,740)
Amortisation charge	(2,280)	(2,280)
	(13,300)	(11,020)
At 31 December	9,500	11,780

The intellectual property comprises the purchase price of the GP Base Software.

12. OTHER INVESTMENTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted shares, at cost	18,628	18,628	329,956	219,729
Club membership	135	135	135	135
	18,763	18,763	330,091	219,864
Impairment loss on investment:-				
At 1 January	-	-	-	-
Addition during the year	(9,500)	-	(9,500)	-
At 31 December	(9,500)	-	(9,500)	-
	9,263	18,763	320,591	219,864

12. OTHER INVESTMENTS (cont'd)

The unquoted shares relate to investments of 3.0 million Series B preferred stock of USD0.67 each, 2.0 million Series C preferred stock of USD1.00 each, 200,000 Series D preferred stock of USD1.00 each and 1,815,736 Series E preferred stock of USD1.00 each in IWICS Inc., a company incorporated in the United States of America.

During the current financial year, the Company increased its investment in unquoted shares by the additional subscription of RM110 million Islamic Irredeemable Convertible Preference Shares in an indirect subsidiary, PONSB.

13. GOODWILL ON CONSOLIDATION

	The Group	
	2009	2008
	RM'000	RM'000
At 1 January	12,786	11,877
Additional investment in subsidiaries	6,024	-
Acquisition	4,331	1,446
Disposal	-	(537)
At 31 December	23,141	12,786

During the financial year, the Group assessed the recoverable amount of purchased goodwill, and determined that goodwill is not impaired.

The basis of the determination of the recoverable amount is set out below.

The investment in subsidiaries is considered to be one cash-generating segment on individual subsidiary. Therefore, goodwill is allocated to the individual subsidiary. The recoverable amount of goodwill is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from this segment computed based on the projections of financial budgets approved by management covering a period of five years. The key assumptions used in the determination of the recoverable amount are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2009	2008	2009	2008	2009	2008
Wireless products	17%	15%	20%	5%	12%	12%
Wireless broadband services	70%	72%	150%	143%	12%	12%

(a) Budgeted gross margin — The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements and cost saving measures.

(b) Growth rate — The growth rates used are based on the expected projection of the wireless related products and discounted telephony services.

(c) Discount rate — The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

14. INVENTORIES HELD FOR RESALE

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
AT NET REALISABLE VALUE:-				
Inventories held for resale	35,484	17,690	24,463	4,615
AT COST:-				
Work-in-progress	-	248	-	248
	35,732	17,938	24,463	4,863

15. TRADE RECEIVABLES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	51,758	31,791	7,277	12,247
Allowance for doubtful debts	(8,918)	(709)	-	-
	42,840	31,082	7,277	12,247
Allowance for doubtful debts				
At 1 January	(709)	(972)	-	-
Addition for the financial year	(8,379)	(119)	-	-
Written off during the financial year	170	276	-	-
Disposal of a subsidiary	-	106	-	-
At 31 December	(8,918)	(709)	-	-

Included in trade receivables of the Group and of the Company is the following:-

	Note	The Group/The Company	
		2009 RM'000	2008 RM'000
Green Packet, Inc.	(a)	5,364	4,060

(a) A related party in which Tan Sri Dato' Kok Onn and Puan Chan Cheong have substantial financial interests.

15. TRADE RECEIVABLES (cont'd)

The Group's normal trade credit terms range from 30 to 90 days (2008 - 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The foreign currency exposure profile of the trade receivables at the balance sheet date was as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
United States Dollar	11,600	14,812	5,111	10,916
New Taiwan Dollar	1,195	80	1,195	51
Australian Dollar	-	14	-	-
Chinese Renminbi	191	7	-	-
Thai Baht	40	-	-	-

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Other receivables	148,245	31,949	73,463	12,456
Allowance for doubtful debts	(363)	(363)	-	-
	147,882	31,586	73,463	12,456
Allowance for doubtful debts at 1.1.2009/2008	(363)	-	-	-
Addition for the financial year	-	(363)	-	-
Allowance for doubtful debts at 31.12.2009/2008	(363)	(363)	-	-

Included in the other receivables are shares subscription monies which are held by the placement agents pursuant to the proposed private placement amounting to RM68,717,207 as disclosed in Note 48(g) to the financial statements. The sum was remitted to the Company upon quotation of the placement shares subsequent to the year end.

Included in the other receivables are also an amount of RM248,000 being advances to the associate, GMO Global Limited.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

The foreign currency exposure profile of other receivables, deposits and prepayments at the balance sheet date was as follows:-

	The Group	
	2009	2008
	RM'000	RM'000
United States Dollar	1,121	944
Chinese Renminbi	144	163
New Taiwan Dollar	233	220
Bahraini Dinar	151	100
Thai Baht	219	274
Australian Dollar	-	32

17. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by/(to) subsidiaries consist of the following:-

	The Company	
	2009	2008
	RM'000	RM'000
Amount owing by:-		
Current		
- trade	10,057	416
- non-trade	115,750	59,318
	125,807	59,734
Non-current		
- non-trade	50,000	50,000
	175,807	109,734
Amount owing to:-		
- trade	-	418
- non-trade	147,068	142,075
	147,068	142,493

17. AMOUNTS OWING BY/(TO) SUBSIDIARIES (cont'd)

The trade amounts are subject to normal credit terms.

The non-trade amounts are unsecured, interest-free and repayable/receivable on demand except for the following:-

(i) an amount owing by a subsidiary of RM50 million which bore interest at 4.75% and is repayable on 30 November 2012; and

(ii) an amount owing by a subsidiary of approximately RM7.7 million which bore interest at 4.75% and is repayable on demand.

The amount owing is to be settled in cash.

The foreign currency exposure profile of the amounts owing by/(to) subsidiaries at the balance sheet date was as follows:-

	The Company	
	2009 RM'000	2008 RM'000
Bahraini Dinar	-	1,387
Chinese Renminbi	-	366
Australian Dollar	-	830
Singapore Dollar	-	156
United States Dollar	(127,418)	(120,972)
New Taiwan Dollar	-	(3,985)

18. DEPOSITS WITH LICENSED BANKS

The effective interest rates of the deposits at the balance sheet date ranged from 2.0% to 3.0% (2008 - 3.0% to 3.3%) per annum. The deposits have maturity periods ranging from 1 month to 3 months (2008 - 1 month to 3 months).

Included in the fixed deposits with licensed banks is an amount of RM1,132,525 (2008 - RM1,108,256) pledged to a licensed bank for banking facilities granted to the Group.

19. CASH AND BANK BALANCES

Included in the cash at bank of the Company at the balance sheet date is an amount of approximately RM118,768,000 (2008 - RM167,110,000) held in the account of a foreign subsidiary.

The foreign currency exposure profile of the cash and bank balances at the balance sheet date is as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Chinese Renminbi	118,768	167,658	115,474	167,110
Bahraini Dinar	457	5	-	-
United States Dollar	376	2,533	835	950
New Taiwan Dollar	888	120	130	2
Singapore Dollar	127	-	-	-

20. SHARE CAPITAL

The movements in the authorised share capital of the Company are as follows:-

	2009			2008		
	Par Value RM	Number Of Shares '000	Share Capital RM '000	Par Value RM	Number Of Shares '000	Share Capital RM '000
ORDINARY SHARES						
At 1 January	0.20	500,000	100,000	0.20	500,000	100,000
Increase during the year	0.20	1,500,000	300,000	0.20	-	-
At 31 December	0.20	2,000,000	400,000	0.20	500,000	100,000

The movements in the issued and paid-up share capital of the Company are as follows:-

	2009			2008		
	Par Value RM	Number Of Shares '000	Share Capital RM '000	Par Value RM	Number Of Shares '000	Share Capital RM '000
ORDINARY SHARES						
At 1 January	0.20	399,935	79,987	0.20	333,279	66,656
Issuance of ordinary shares pursuant to:- Rights Issues	0.20	197,614	39,523	0.20	66,656	13,331
Issuance of ordinary shares pursuant to:- Private placements	0.20	59,755	11,951	0.20	-	-
At 31 December	0.20	657,304	131,461	0.20	399,935	79,987

20. SHARE CAPITAL

During the current financial year,

(a) the Company increased its authorised share capital from RM100,000,000 to RM400,000,000 by the creation of 1,500,000,000 new ordinary shares of RM0.20 each;

(b) the Company increased its issued and paid-up share capital from RM79,987,050 to RM131,460,786 by:

(i) the issuance of 197,613,775 new ordinary shares of RM0.20 each in the Company for cash pursuant to the Company's renounceable rights issue ("Rights Shares") with free detachable new warrants ("Warrants") on the basis of one (1) Rights Share and One (1) Warrant for every two (2) existing ordinary shares of RM0.20 each held in the Company at an issue price of RM0.50 per Rights Share ("Rights Issue"). The shares were issued for the purpose of working capital; and

(ii) the issuance of 59,754,903 new ordinary shares of RM0.20 each in the Company for cash pursuant to the Company's private placement at a subscription price of RM1.15 per ordinary share. The shares were issued for the purpose of working capital.

All the new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

21. SHARE PREMIUM

	The Group/The Company	
	2009	2008
	RM'000	RM'000
At 1 January	292,274	259,002
Premium arising from private placement	56,767	33,328
Expenses incurred for:		
- private placement	(3,511)	(56)
At 31 December	345,530	292,274

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act, 1965.

22. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange fluctuation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

23. RETAINED PROFITS

Subject to the agreement of the tax authorities, at the balance sheet date, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax exempt income to frank the payment of dividends out of its entire retained profits without incurring any additional tax liabilities.

23. RETAINED PROFITS (cont'd)

At the balance sheet date, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

24. TREASURY SHARES

During the financial year, the Company purchased 1,000 of its issued ordinary shares from the open market at an average price of RM1.07 per share. The total consideration paid for the purchase was RM1,072 including transaction costs. The shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 657,303,928 (2008 - 399,935,250) issued and fully paid-up ordinary shares as at 31 December 2009, 4,707,700 ordinary shares (2008 - 4,706,700) are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year ended 31 December 2009.

25. OTHER RESERVES

	The Group/The Company	
	2009 RM'000	2008 RM'000
Equity-settled share option reserve	11,490	7,336
Warrant reserve	57,714	-
At 31 December	69,204	7,336

EQUITY-SETTLED SHARE OPTION RESERVE

This relates to the equity-settled share options granted to employees. This reserve consists of the cumulative value of services received from employees recorded on the grant of the share options.

The movement in the options to subscribe for the new ordinary shares of RM0.20 each at the respective adjusted exercise price per share is as follows:-

	Number Of Options Over Ordinary Shares Of RM0.20 Each		
	At Exercise Price Of RM4.22 Each '000	At Exercise Price Of RM1.97 Each '000	At Exercise Price Of RM0.80 Each '000
As at 1 January 2009	6,948	8,101	-
Granted during the financial year	-	-	7,735
Adjustment after Rights Issue	1,030	1,200	1,146
Cancellation due to staff resignations	(381)	(628)	(395)
As at 31 December 2009	7,597	8,673	8,486

25. OTHER RESERVES (cont'd)

EQUITY-SETTLED SHARE OPTION RESERVE (cont'd)

The fair values of the share options granted were estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions are as follows:-

	At Exercise Price Of RM4.22 Each '000	At Exercise Price Of RM1.97 Each '000	At Exercise Price Of RM0.80 Each '000
Fair value of share options at the grant date (RM)	0.91	0.73	0.37
Share price (RM)	3.18	2.25	0.89
Exercise price (RM)	4.22	1.97	0.80
Expected volatility (%)	31.43	36.80	36.80
Expected life (years)	5	3.5	2.5
Risk free rate (%)	3.81	3.81	3.81
Dividend yield (%)	1.32	-	-

WARRANT RESERVE

The warrant reserve arose from the allocation of the proceeds received from the issuance of the Warrants by reference to the fair value of the Warrants net of discount, amounting to RM0.30 per Warrant and net of expenses incurred in relation to the Rights Issue completed on 28 September 2009.

26. HIRE PURCHASE PAYABLES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Minimum hire purchase payments:				
- not later than one year	6,820	3,232	335	226
- later than one year and not later than five years	9,333	4,498	446	738
- later than five years	-	4	-	4
	16,153	7,734	781	968
Less: Future finance charge	(1,189)	(541)	(142)	(137)
Present value of hire purchase payables	14,964	7,193	639	831

26. HIRE PURCHASE PAYABLES (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
The net hire purchase payables are repayable as follows:-				
Current:				
- not later than one year	6,012	3,021	198	192
Non-current:				
- later than one year and not later than five years	8,952	4,169	441	636
- later than five years	-	3	-	3
	8,952	4,172	441	639
	14,964	7,193	639	831

The hire purchase payables of the Group and of the Company bore effective interest rates ranging from 1.93% to 6.50% (2008 – 1.93% to 6.50%) per annum at the balance sheet date.

27. BANK BORROWINGS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Amanah Term Financing-i ("Amanah Facility")	15,856	18,339	15,856	18,339
Structured Commodity Financing-i Term Facility (" i Term Facility")	34,200	34,600	-	-
Syndicated Murabaha Facility ("Murabaha Facility")	85,500	86,500	-	-
Revolving Credits	4,500	-	-	-
Amanah Trade Bills	8,962	-	8,962	-
Murabaha Project Facility ("Project Facillity")	46,499	-	-	-
	195,517	139,439	24,818	18,339
Current portion:				
- repayable within one year	32,519	2,786	9,264	2,786
Non-current portion:				
- repayable between one and two years	48,696	2,786	5,672	2,786
- repayable between two and five years	112,677	17,007	8,357	8,357
- repayable after five years	1,625	116,860	1,525	4,410
Total non-current portion	162,998	136,653	15,554	15,553
	195,517	139,439	24,818	18,339

27. BANK BORROWINGS (cont'd)

The Amanah Facility is repayable in 84 monthly instalments of RM275,611 effective from 4 August 2008.

The Amanah Facility bore an effective interest rate of 5% (2008 – 5%) per annum at the balance sheet date and is secured by:-

(i) a third party first legal charge over a subsidiary's leasehold land and building;
(ii) Al Bai Inah Asset Purchase Agreement; and
(iii) Al Bai Inah Asset Sale Agreement.

The Structured Commodity Financing-i Term Facility was obtained from a local financial institution. The Syndicated Murabaha Facility is obtained from a group of banks and financial institutions arranged by a foreign bank.

The above i Term Facility and Murabaha Facility were granted to a subsidiary and bore effective interest rates ranging from 3.50% to 6.00% (2008 – 3.72% to 3.96%) per annum and are secured by a corporate guarantee from the Company and will be fully repaid in 2013.

The Project Facility was granted to a subsidiary and bore an effective interest rate of 7% (2008 - Nil) per annum at the balance sheet date and is secured by a corporate guarantee from the Company and will be fully repaid within 48 months by November 2013.

The Amanah Trade Bills bore effective interest rates ranging from 6.8% to 7.5% (2008 – nil) per annum and are repayable over a period of 90 to 120 days.

The Revolving Credits were granted to a subsidiary and bore effective interest rates ranging from 3.4% to 3.9% (2008 – nil) per annum and are secured by way of a corporate guarantee from the Company and are renewable on a quarterly basis.

The foreign currency exposure profile of the term loans at the balance sheet date was as follows:-

	The Group	
	2009 RM'000	2008 RM'000
United States Dollar	119,700	121,100

28. GUARANTEED REDEEMABLE CONVERTIBLE EXCHANGEABLE BONDS ("GCEB")

On 27 November 2008, the Company issued RM50,000,000 of 4-year Guaranteed Convertible Exchangeable Bonds at 100% of its nominal value ("GCEB") to Intel Capital Corporation to part finance the roll-out of WiMAX, provision of commercial wireless access services and working capital. The salient terms of the GCEB are as follows:-

(a) Guarantee - The full and timely performance of the Company's obligations under the GCEB shall be guaranteed by an indirect subsidiary, PONSB.

(b) Coupon rate - The GCEB shall bear a coupon rate of 4.5% per annum payable semi-annually in arrears on the nominal value outstanding.

(c) Redeemability - At the Maturity Date, all outstanding GCEB are redeemable for cash at their nominal value.

28. GUARANTEED REDEEMABLE CONVERTIBLE EXCHANGEABLE BONDS ("GCEB") (cont'd)

(d) Conversion Rights - the GCEB and any accrued interest on the GCEB are convertible into fully paid new shares of the Company at the Conversion Price during the conversion period.

(e) Conversion Price - RM2.80 per share of the Company, subject to adjustments in accordance with the provisions of the Trust Deed.

(f) Conversion Mode - The GCEB can be converted into the shares of the Company at the election of the Subscriber by surrendering for cancellation of either:-

(i) the GCEB with an aggregate nominal value equivalent to the Conversion Price; or

(ii) an aggregate nominal value of GCEB and any accrued interest on the GCEB equivalent to the Conversion Price.

(g) Conversion Period - Period starting on the first anniversary of the Issue Date up to the close of business on the 7th day prior to the Maturity Date of the GCEB or if such GCEB have been called for redemption or exchange before the Maturity Date, then up to the close of business on a date no later than seven business days prior to the date fixed for redemption thereof or prior to the date the exchange notice is delivered to the Company.

(h) Exchange Rights - Each registered holder of the GCEB shall have the right exercisable at its discretion at any time and from time to time during the Exchange Period to exchange such amount of GCEB held or including any accrued interest on the GCEB up to and including the date of exchange into Class B Irredeemable Convertible Preference Shares or Packet One Shares or SPV Shares ("Relevant Exchange Shares") at the Exchange Price.

(i) Exchange Price - RM250 per Relevant Exchange Share, subject to adjustments in accordance with the provisions of the Trust Deed.

(j) Exchange Mode - The GCEB can be exchanged for Relevant Exchange Share by surrendering for cancellation of either:-

(i) The GCEB with an aggregate nominal value equivalent to the Exchange Price; or

(ii) An aggregate nominal value of GCEB and any accrued interest on the GCEB equivalent to the Exchange Price.

(k) Exchange Period - At any time on and after the Issue Date up to the close of business (at the place where the relevant Bond is deposited for exchange) on the Maturity Date or if such Bond shall have been called for redemption or conversion before the Maturity Date then up to the close of business (at the place aforesaid) on a date no later than 5 Business Days (at the place aforesaid) prior to the date fixed for redemption thereof or prior to the date the Conversion Notice is delivered to the Issuer (the "Exchange Period").

28. GUARANTEED REDEEMABLE CONVERTIBLE EXCHANGEABLE BONDS ("GCEB") (cont'd)

(I) Preemptive Rights – prior to any sale, transfer or other disposition by the Issuer to a third party (the "Proposed Transferee") pursuant to a transfer permitted in these Conditions of all or any of the Packet One Ordinary Shares or Class B Irredeemable Convertible Preference Shares or other preference shares of PONSB beneficially owned whether directly or indirectly by the Issuer, the Issuer will procure that each Bondholder has the right for up to 14 days to:

(i) purchase a pro-rata number of such shares as described above on the same terms as those offered to or by the Proposed Transferee; or

(ii) to sell a pro-rata number of the Relevant Exchange Shares held by the Bondholder on the same terms as those offered by the Proposed Transferee provided that such right to purchase or the closing date of a Qualified IPO of PONSB, whichever is earlier.

Interest expense on the GCEB is calculated on the effective yield basis by applying the coupon interest rate of 4.5% per annum for an equivalent non-convertible bond to the liability component of the GCEB.

29. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current portion:				
- repayable within one year	147,470	47,993	7,417	903
Non-current portion:				
- repayable between one and two years	43,145	-	-	-
- repayable between two and five years	57,527	-	-	-
Total non-current portion	100,672	-	-	-
	248,142	47,993	7,417	903

The other payables include an amount of approximately RM129 million owing to a supplier for the design, survey, supply, installation, testing, commissioning, integrating and optimising of a subsidiary's WiMAX Networks which are payable over a period of 3 years from the time of delivery of the equipment.

The foreign currency exposure profile of the other payables and accruals at the balance sheet date is as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Australian Dollar	426	35	-	-
Singapore Dollar	-	343	-	-
New Taiwan Dollar	373	229	313	183
Chinese Renminbi	254	15	-	-
United States Dollar	131,447	23,614	5,717	-
Bahraini Dinar	388	373	-	-

30. DEFERRED TAXATION

	The Group	
	2009 RM'000	2008 RM'000
At January	2,418	770
Acquisition of subsidiaries	-	2,030
Transfer to income statements (Note 36)	81	(382)
At 31 December	2,499	2,418

The deferred tax liabilities relate mainly to temporary differences from accelerated capital allowances.

31. TRADE PAYABLES

The normal credit terms granted to the Group range from 30 to 90 days.

The foreign currency exposure profile of the trade payables at the balance sheet date was as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
United States Dollar	13,968	6,165	15,633	2,788
Bahraini Dinar	422	34	-	-
New Taiwan Dollar	31	18	-	-
Chinese Renminbi	28	4	-	-

32. AMOUNT OWING TO A RELATED COMPANY

The amount is non-trade in nature, unsecured, interest-fee and repayable on demand. The amount owing is to be settled in cash.

The foreign currency exposure profile of the amount owing to a related company at the balance sheet date was as follows:-

	The Company	
	2009 RM'000	2008 RM'000
United States Dollar	14,287	395

33. NET ASSETS PER SHARE

The net assets per share is calculated based on the net assets value at the balance sheet date of RM395,519,000 (2008 – RM412,417,000) divided by the number of ordinary shares in issue at the balance sheet date of 652,596,228 (2008 – 395,228,550) excluding treasury shares held by the Company.

34. REVENUE

Revenue of the Group and of the Company represent the invoiced value of goods sold and services rendered less discounts and returns.

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Communication services	81,115	68,141	-	-
Wireless broadband services	95,480	8,434	-	-
Sale of software products	41,220	8,914	47,938	11,168
Engineering income	-	2,006	-	2,006
	217,815	87,495	47,938	13,174

35. LOSS BEFORE TAXATION

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Loss before taxation is arrived at after charging/ (crediting):-				
Allowance for doubtful debts	8,379	482	-	-
Amortisation of :				
- development costs	3,750	2,173	1,415	518
- intellectual property	2,280	2,280	2,280	2,280
- prepaid land lease payments	317	169	-	-
Audit fee:				
- for the current financial year	230	188	44	30
- (over)/underprovision in the previous financial year	22	(1)	-	-
Bad debts written off	-	5,828	-	33
Depreciation of property, plant and equipment	15,574	4,959	1,745	729
Development costs written off	3,882	807	-	-
Directors' remuneration	976	1,158	976	1,141
Directors' fee	225	219	225	219
Equipment written off	2,976	36	-	-
Impairment loss on investment in subsidiary	-	-	11,000	-
Impairment loss on investment in associates	9,000	625	9,000	625
Impairment loss on other investment	9,500	-	9,500	-
Interest expense:				
- hire purchase	64	49	35	32
- loans	7,927	227	7,660	2,439
- GCEB	2,059	216	2,059	216
Inventories written down	4,036	84	-	-
Internet protocol lease rental	17,971	992	-	-
Loss on disposal of a subsidiary	-	1,266	-	565

35. LOSS BEFORE TAXATION (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Loss on partial disposal of a subsidiary	-	278	-	-
Rental of office	2,508	1,712	1,574	517
Rental of equipment	4,110	134	14	-
Rental of rack	-	25	-	-
Site rental	-	1,274	-	-
Share options granted under ESOS	4,154	4,082	4,154	4,082
Staff costs	55,550	25,888	14,158	5,176
(Gain)/Loss on foreign exchange:				
- realised	(1,303)	7,821	(1,058)	7,612
- unrealised	(145)	(3,616)	1,275	(3,587)
(Gain)/Loss on disposal of property, plant and equipment	(17)	(158)	(4)	50
Interest income	(2,546)	(4,631)	(8,015)	(8,435)
Tax-exempted distribution from unit trusts	-	(14)	-	(12)

36. INCOME TAX EXPENSE

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Income tax				
- for the financial year	2,469	1,989	2,383	800
- (over)/underprovision in the previous financial year	(102)	46	-	35
	2,367	2,035	2,383	835
Deferred taxation (Note 30)	81	(382)	-	-
	2,448	1,653	2,383	835

The current taxation of the Company is in respect of interest income. The Company is not subject to tax as it has been granted the Multimedia Super Corridor status, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investments Act, 1986. The Company will enjoy full exemption from income tax on its statutory income from pioneer activities for five years, from 10 June 2008 to 9 June 2013.

During the financial year, the statutory tax rate was reduced from 26% to 25%, as announced in the Malaysian Budget 2008.

As gazetted in the Finance Act 2009, certain subsidiaries of the Company will no longer enjoy the preferential tax rate of 20% on their chargeable income of up to RM500,000 effective from year of assessment 2009 as the Company has a paid-up share capital exceeding RM2,500,000.

36. INCOME TAX EXPENSE

A reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Loss before taxation	(184,962)	(58,641)	(40,728)	(10,983)
Tax at the statutory tax rate of 25% (2008 - 26%)	(46,241)	(15,247)	(10,182)	(2,855)
Tax effects of:-				
Non-taxable income	(20)	(3,146)	-	(75)
Non-deductible expenses	18,876	12,639	12,565	3,730
Deferred tax assets not recognised in the current financial year	29,561	7,198	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(707)	179	-	-
Differential in tax rates	1,081	(16)	-	-
(Over)/Underprovision in the previous financial year	(102)	46	-	35
	2,448	1,653	2,383	835

No deferred tax assets are recognised on the following items:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unutilised tax losses	145,349	42,143	-	-
Unabsorbed capital allowances	21,577	6,539	-	-
	166,926	48,682	-	-

37. LOSS PER SHARE

The basic loss per share is arrived at by dividing the Group's loss attributable to shareholders of RM182,645,000 (2008 – RM55,242,000) by the following weighted average number of ordinary shares in issue during the financial year excluding treasury shares held by the Company.

	The Group	
	2009 RM'000	2008 RM'000
Issued ordinary shares at 1 January	399,935	330,633
Effect of private placement	164	1,461
Effect of Rights Issue	49,810	-
Effect of share buy-back	-	(1,462)
	449,909	330,632

The diluted loss per share was not presented as there is an anti-dilutive effect arising from the assumed conversion of employees' share option and warrants.

38. ACQUISITION OF SUBSIDIARIES

During the current financial year, the Company acquired the following subsidiaries:-

(a) Inova Venture Pte. Ltd.
(b) OneVois Global Co Ltd ("OVG"); and
(c) OneVois Communication Co Ltd ("OVC").

During the current financial year, the Company also incorporated a foreign subsidiary, Packet One (S) Pte. Ltd. ("P1s").

The date of acquisition and equity interest held by the Company in the subsidiaries are disclosed in Note 6 and Note 48 respectively to the financial statements. The details of net assets acquired and cash flow arising from the acquisition of the subsidiaries in the financial year are as follows:-

	The Group	
	2009 RM'000	2008 RM'000
Non-current assets	1,074	41,000
Current assets	419	70
Current liabilities	(932)	(35,856)
Deferred taxation	-	(2,186)
Minority interest	(122)	-
Fair value of net assets acquired	439	3,028
Goodwill on acquisition	4,331	346
Total purchase consideration	4,770	3,374
Less - fund from investment of associate	(4,557)	-
- Cash and cash equivalents of the subsidiaries acquired	-	-
Net cash outflow for acquisition of subsidiaries	213	3,374

The effects of the acquisition of the subsidiaries on the financial results of the Group at the end of the financial year are as follows:-

	The Group	
	2009 RM'000	2008 RM'000
Revenue	1,040	-
Loss after taxation	(3,828)	(1,571)

39. DISPOSAL OF A SUBSIDIARY

In the previous financial year, the Company disposed of its entire 75% equity interest in J&C Pacific Sdn. Bhd. ("J&C") comprising 375,000 ordinary shares of RM1.00 each for a cash consideration of RM9.7 million.

The details of the net assets disposed of and the cash outflow from the disposal of the subsidiary in the previous financial year were as follows:-

	The Group	
	2009	2008
	RM'000	RM'000
Non-current assets	-	595
Current assets	-	13,989
Current liabilities	-	(2,880)
Goodwill on consolidation	-	258
Deferred taxation	-	(156)
Fair value of net assets disposed	-	11,806
Minority interest	-	(840)
Share of group's assets	-	10,966
Loss on disposal of a subsidiary	-	(1,266)
Sale proceeds from disposal of a subsidiary	-	9,700
Cash and cash equivalent of subsidiary disposed	-	(3,091)
Cash flow on disposal of subsidiary	-	6,609

The effects of the disposal of the subsidiary in the financial results of the Group in the previous financial year were as follows:-

	The Group	
	2009	2008
	RM'000	RM'000
Revenue	-	5,877
Profit after taxation	-	506

40. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cost of property, plant and equipment purchased	309,689	135,318	2,695	4,700
Amount financed by equipment vendor	(129,435)	-	-	-
Amount financed through hire purchase	(13,948)	(4,382)	-	-
Depreciation capitalised	(1,304)	(494)	-	-
Exchange translation reserve	-	(32)	-	-
Cash disbursed for purchase of property, plant and equipment	165,002	130,410	2,695	4,700

41. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits with licensed banks (Note 18)	2,792	59,934	1,133	1,569
Cash and bank balances	144,363	221,290	119,611	182,064
	147,155	281,224	120,744	183,633

42. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by Directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Executive directors:				
- basic salaries, Employees Provident Fund and bonus	947	1,121	947	1,121
Non-executive directors:				
- allowance	29	37	29	20
- fee	225	219	225	219
	1,201	1,377	1,201	1,360

Details of emoluments for the directors of the Group and of the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	The Group/The Company	
	2009 RM'000	2008 RM'000
Executive directors:-		
RM250,001 - RM300,000	1	1
RM550,001 - RM700,000	1	1
Non-executive directors:		
Above RM50,000	2	1
Below RM50,000	4	6
	8	9

No emoluments were paid to the other directors holding office during the financial year.

43. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Company has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with related parties during the financial year:

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sales to subsidiaries:					
- GPNWLL		-	-	1,081	-
- PONSB		-	-	18,738	2,591
- WESB		-	-	-	169
Purchases from a subsidiary - PONSB		-	-	(5,873)	(99)
Loans from/(to) subsidiaries:					
- GPLL		-	-	123,770	114,442
- PONSB		-	-	-	(50,000)
- Nextel		-	-	(3,542)	-
- GPNWLL		-	-	(3,648)	-
- P1.COM		-	-	(1,900)	-
Interest expense received/receivable from subsidiaries:					
- PONSB		-	-	4,373	4,583
- NGT Networks		-	-	18	-
- Worldline		-	-	3,117	-
- Inova		-	-	29	-
CPE and marketing subsidy received/ receivable from a subsidiary - PONSB		-	-	26,750	3,925
Subscription of RCPS-i /IICPS from a subsidiary:					
- PONSB		-	-	110,000	200,000
Engineering income received/receivable from related parties					
- Green Packet, Inc.	(a)	1,304	2,006	1,304	2,006
Advertising expenses payable to a related party	(b)	-	2,754	-	-
Printing charges payable to a related party	(c)	-	116	-	-

43. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

	Note	The Group 2009 RM'000	The Group 2008 RM'000	The Company 2009 RM'000	The Company 2008 RM'000
Redemption of MLN from an associate					
- GMO Limited		-	18,252	-	18,252
Finance cost on MLN receivable from an associate					
- GMO Limited		-	1,650	-	1,650
Loans from/(to) associate :					
- GMO Global Limited		(248)	-	(248)	-
Key management personnel compensation					
- short-term employee benefits		2,450	2,713	1,624	1,826
- share-based payment		1,095	1,050	786	715

(a) A company in which Tan Sri Dato' Kok Onn and Puan Chan Cheong have substantial financial interests.
(b) A company in which Tan Kin Lee has a substantial financial interest.
(c) A company in which Puan Chan Cheong has a substantial financial interest.

44. CAPITAL COMMITMENTS

	The Group 2009 RM'000	The Group 2008 RM'000	The Company 2009 RM'000	The Company 2008 RM'000
Approved and contracted for:				
Plant and equipment	97,334	123,630	339	-
Inventories	35,192	7,746	35,192	7,746

45. OPERATING LEASE COMMITMENTS

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Not later than one year	25,609	12,340	68	34
Later than one year and	14,599	-	-	-
not later than five years	125	6,988	125	98
	40,333	19,328	193	132

46. CONTINGENT LIABILITIES

(a) Corporate Guarantees

	The Company	
	2009 RM'000	2008 RM'000
Given to secure banking facilities granted to a wholly-owned subsidiary, GPLL	119,700	121,100
Given to Alcatel-Lucent (Malaysia) Sdn. Bhd. on payment under the Supply Contract by a 55% owned subsidiary, PONSB	-	245,819
Given to ZTE Corporation. on payment under the Supply Contract by a 55% owned subsidiary, PONSB	131,000	-
Given to IBM (Malaysia) Sdn. Bhd. for Leasing Facility granted to PONSB.	14,000	10,000

(b) PONSB, a 55% owned subsidiary of the Company has provided guarantees amounting to RM7,700,000 to the Malaysian Communications and Multimedia Commission ("MCMC") for the due performance of a "2.3GHz Broadband Wireless Access Spectrum Tender" by PONSB for all the terms and conditions of the apparatus assignment issued by MCMC.

47. SEGMENTAL REPORTING

GEOGRAPHICAL SEGMENTS

2009	Malaysia RM'000	APAC ** RM'000	MENA *** RM'000	Elimination RM'000	Group RM'000
REVENUE					
External sales	164,850	50,473	2,492	-	217,815
Inter-segment sales	46,569	-	-	(46,569)	-
	211,419	50,473	2,492	(46,569)	217,815

47. SEGMENTAL REPORTING (cont'd)

GEOGRAPHICAL SEGMENTS (cont'd)

2009	Malaysia RM'000	APAC ** RM'000	MENA *** RM'000	Elimination RM'000	Group RM'000
RESULTS					
Segment results	(170,342)	(3,254)	(3,807)	-	(177,403)
Finance costs					(10,050)
Other income					3,160
					(184,293)
Share of loss in associates					(669)
Loss before taxation					(184,962)
Income tax					(2,448)
Loss after taxation					(187,410)

GEOGRAPHICAL SEGMENTS

2009	Malaysia RM'000	APAC ** RM'000	MENA *** RM'000	Group RM'000
OTHER INFORMATION				
Segment assets #	891,786	29,505	5,688	926,979
Unallocated corporate assets				52,920
Total assets				979,899
Segment liabilities *	369,733	23,189	626	393,548
Unallocated corporate liabilities				185,525
Total liabilities				579,073
Capital expenditure	330,715	48	-	330,763
Depreciation	(16,937)	(568)	(80)	(17,585)
Amortisation	6,337	10	-	6,347

 # - Segment assets comprise total current and non-current assets.
** - Segment liabilities comprise total current and long term liabilities.*
*** - Asia Pacific region excludes Malaysia.*
**** - Middle East and North African region.*

47. SEGMENTAL REPORTING (cont'd)

BUSINESS SEGMENTS

	Sale of Software Products RM'000	Communica -tion Services RM'000	Wireless Broadband Services RM'000	Others RM'000	Elimination RM'000	Group RM'000
REVENUE						
External Sales	41,220	81,115	95,480	-	-	217,815
Inter-segment Sales	19,819	26,750	-	-	(46,569)	-
	61,039	107,865	95,480	-	(46,569)	217,815
Segment assets	510,682	11,789	457,428	-	-	979,899
Capital expenditure	2,662	564	327,537	-	-	330,763

GEOGRAPHICAL SEGMENTS

2008	Malaysia RM'000	APAC ** RM'000	MENA *** RM'000	Elimination RM'000	Group RM'000
REVENUE					
External sales	72,785	14,686	24	-	87,495
Inter-segment sales	6,791	-	-	(6,791)	-
	79,576	14,686	24	(6,791)	87,495
RESULTS					
Segment results	(45,887)	(5,017)	(12,219)	-	(63,123)
Finance costs					(419)
Other income					14,414
					(49,128)
Share of loss in associates					(9,513)
Profit before taxation					(58,641)
Income tax					(1,653)
Profit after taxation					(60,294)

47. SEGMENTAL REPORTING (cont'd)

GEOGRAPHICAL SEGMENTS

2008	Malaysia RM'000	APAC ** RM'000	MENA *** RM'000	Group RM'000
OTHER INFORMATION				
Segment assets #	575,489	21,303	9,091	605,883
Unallocated corporate assets				76,398
Total assets				682,281
Segment liabilities *	(49,607)	(12,945)	(1,513)	(64,065)
Unallocated corporate liabilities				(193,847)
Total liabilities				(257,912)
Capital expenditure	(155,087)	(2,873)	(169)	(158,129)
Depreciation	(5,440)	(298)	(142)	(5,880)
Amortisation	(4,461)	(205)	-	(4,666)

 # - Segment assets comprise total current and non-current assets.
** - Segment liabilities comprise total current and long term liabilities.*
*** - Asia Pacific region excludes Malaysia.*
**** - Middle East and North African region.*

BUSINESS SEGMENTS

	Sale of Software Products RM'000	Discounted Telephony Services RM'000	Wireless Broadband Services RM'000	Others RM'000	Elimination RM'000	Group RM'000
REVENUE						
External Sales	10,920	68,141	8,434	-	-	87,495
Inter-segment Sales	2,760	1,065	412	2,554	(6,791)	-
	13,680	69,206	8,846	2,554	(6,791)	87,495
Segment assets	296,480	64,860	277,946	42,995	-	682,281
Capital expenditure	13,106	865	141,309	2,849	-	158,129

48. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are as follows:-

(a) On 6 March 2009, Green Packet Networks (Singapore) Pte Ltd ("GPNS"), GPB's wholly-owned subsidiary, had subscribed for 4,100 "A" ordinary shares of par value of Thai Baht ("THB") 100 each, representing 33% of the registered capital of OneVois Global Co Ltd ("OVG"), which carries 60% of the voting rights in OVG, for a total cash subscription price of THB410,000 (equivalent to approximately RM38,774)("The Subscription").

On 6 March 2009, GPNS had also entered into a Shares Sale and Purchase Agreement with Mr Prateep Prawattiyakul, for the acquisition of 8,200 ordinary shares of par value of THB 100 each, representing 40% of the registered capital of OneVois Communication Co Ltd ("OVC") for a purchase consideration of THB1,066,000 (equivalent to approximately RM100,811)("The Acquisition").

The Subscription and Acquisition were completed on 6 March 2009 and consequently, GPNS held a 33% equity interest which carried 60% of the voting rights in OVG, as well as a 40% direct equity interest in OVC. OVG also held a 60% equity interest in OVC. Therefore, GPNS effectively held, via its direct and indirect interest, 76% of the total voting rights in OVC.

(b) On 18 March 2009, Packet One Sdn Bhd, GPB's wholly-owned subsidiary, had disposed of 100,000 ordinary shares of RM1.00 in RummzNation Sdn Bhd ("RNSB"), representing 100% of its equity interest in RNSB, to Packet One Networks (Malaysia) Sdn Bhd, a 55% owned subsidiary of GPB, for a total consideration of RM100,000.

(c) On 2 June 2009, GPB had subscribed for an additonal 699,991 ordinary shares ("Shares") fully paid in Packet One International Pte Ltd ("POI"), a 90% subsidiary of GPB, in cash for a total subscription price of Singapore Dollar ("SGD") 699,991 or approximately RM1,680,000.00 ("Subscription Price") ("Proposed Subscription"). On an even date, POI had also issued 299,999 Shares fully paid to the other shareholders ("Additional Issuance"). After the subscription and additional issuance, GPB's equity interest in POI is 70% while the remaining 30% equity interest is held by the other shareholders.

(d) On 16 June 2009, GPB had entered into a Sale and Purchase Agreement ("SPA") with mTouche Technology Berhad ("mTouche") to acquire 51,000 ordinary shares of SGD1.00 each in Inova Venture Pte Ltd ("Inova") ("Inova Shares") representing a 51% equity interest in Inova which were held by mTouche, for a total cash consideration of SGD30,000 ("Acquisition").

Prior to the Acquisition, Inova was a 20% associate of GPB. Upon completion of the Acquisition, GPB effectively held 71,000 Inova Shares resulting in Inova becoming a 71% owned subsidiary of GPB. Inova's wholly-owned subsidiary, Brillante Novastella Sdn Bhd also became a subsidiary of GPB on completion of the acquisition on 30 June 2009.

(e) On 16 September 2009, GPB had enterd into a Sale and Purchase Agreement with Idara Investments Limited to acquire the remaining 49.998% equity interest in Green Packet Networks W.L.L ("GPN") comprising 16,666 ordinary shares of USD150 each for a total cash consideration of USD2,499,900 ("equivalent to approximately RM8,757,150") (GPN Acquisition). GPN became a 100% owned subsidiary of GPB upon completion of the GPN Acquisition on 12 October 2009.

(f) On 22 October 2009, Packet One Sdn Bhd, a wholly-owned subsidiary of GPB, had incorporated a new wholly-owned subsidiary, namely, Packet One (S) Pte. Ltd. ("P1s"), in the Republic of Singapore. The issued and paid-up share capital of P1s is SGD2.00 comprising 2 ordinary shares. Its principal activity is the provision of last mile broadband network infrastructure facilities and services in Singapore.

48. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

(g) On 30 December 2009, the Company issued 59,754,093 new GPB Shares pursuant to the proposed Private Placement at an issue price of RM1.15 per GPB Share for cash (Placement Shares"). The Placement Shares had been listed and quoted on the Main Market of Bursa Securities on 7 January 2010.

49. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

(a) On 1 March 2010, the Company had granted 11,611,800 options to subscribe for new ordinary shares of RM0.20 each pursuant to the fourth allocation of share options under the ESOS to eligible employees and directors of the Company and its subsidiaries at an option price of RM1.10.

(b) Further to the Company's announcements made on 21 April 2009 and 29 May 2009 pertaining to the Proposed Delisting of GMOL, the Company was informed that GMO Limited ("GMOL") had on 19 January 2010 received a notification letter (dated 15 January 2010) from the Jersey Financial Services Commission, on the dissolution of GMOL on 30 December 2009.

50. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:-

(a) Unquoted Investments

It is not practicable to determine the fair value of the unquoted investments because of the lack of quoted market prices and the assumptions used in valuation models to value these investments cannot be reasonably estimated.

(b) Amounts Owing By/(To) Subsidiaries/Related Companies

The carrying amounts approximated their fair values at the balance sheet date.

(c) Bank Balances and Other Liquid Funds and Short-term Receivables

The carrying amounts approximated the fair values due to the relatively short term maturity of these instruments.

(d) Payables and Other Current Liabilities

The carrying amounts approximated the fair values due to the short period to maturity of these instruments.

(e) Hire Purchase Payables

The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments at the balance sheet date.

(f) Term Loans

The carrying amounts approximated their fair values as these instruments bear interest at variable rates.

(g) Contingent Liabilities

It is not practicable to estimate the fair value of contingent liabilities reliably due to uncertainties of timing, costs and eventual outcome.

List Of Property

Title/Location	Description/ Existing Use	Tenure	Acquisition Date	Approximate Land Area in sq ft	Approximate Age of Building	Net Book Value RM
HS(D) 171402, PT No 159, Seksyen 8, Bandar Petaling Jaya, Daerah Petaling Jaya, Negeri Selangor	12 ½ storey purpose built office building	Leasehold expiring on 28 May 2068	2 January 2008	126,676 gross floor area and 100,000 lettable area	7 years	35,312,656

Analysis Of Shareholdings

as at 19 May 2010

Authorised Share Capital	:	RM400,000,000 of 2,000,000,000 ordinary shares of RM0.20 each
Issued and Paid-Up Share Capital	:	RM131,528,232.00 comprising of 657,641,160 ordinary shares of RM0.20 each (including treasury shares)
Class of Shares	:	Ordinary shares of RM0.20 each
Voting Rights	:	Every member of the Company, present in person or by proxy or attorney or authorised representative, shall have on a show of hands, one (1) vote or on a poll, one (1) vote for each share held
Number of shareholders	:	7,832

Analysis of Shareholdings

Holdings	No. of holders	Total holdings	Percentage (%)
1 – 99	167	7,878	0.00+
100 – 1,000	920	738,272	0.11
1,001 – 10,000	4,573	23,400,846	3.58
10,001 – 100,000	1,911	56,956,924	8.72
100,001 – 32,646,672	256	161,021,396	24.66
32,646,673* and above	5	410,808,144	62.92
TOTAL	**7,832**	**652,933,460**	**100.00**

Note:

+ Negligible

** 5% of issued Share Capital*

Substantial Shareholdings (Holding 5% or More of the Share Capital) based on the Register of Substantial Shareholders as at 19 May 2010

Shareholders	Direct		Indirect	
	No. of shares	Percentage (%)*	No. of shares	Percentage (%)*
Green Packet Holdings Ltd	223,878,339	34.29	-	-
OSK Technology Ventures Sdn Bhd	105,904,275	16.22		
PacificQuest	41,315,625	6.33	-	-
SMALLCAP World Fund, Inc.	52,599,216	8.06	-	-
Puan Chan Cheong	3,425,295	0.52	223,878,339	34.29 (1)
Tan Sri Dato' Kok Onn	-	-	223,878,339	34.29 (1)
OSK Ventures International Berhad	-	-	105,904,275	16.22 (2)
Ong Leong Huat @ Wong Joo Hwa	-	-	105,904,275	16.22 (3)
Sedco International Holdings Limited			41,315,625	6.33 (4)
AHL Holding Company Limited	-	-	41,315,625	6.33 (5)

Notes:

1 Deemed interested by virtue of their direct substantial shareholdings in Green Packet Holdings Ltd.
2 Deemed interested through its wholly-owned subsidiary, OSK Technology Ventures Sdn Bhd.
3 Deemed interested by virtue of his substantial shareholdings in OSK Ventures International Berhad, the holding company of OSK Technology Ventures Sdn Bhd.
4 Deemed interested by virtue of its interest in PacificQuest
5 Deemed interested by virtue of its interest in Sedco International Holdings Limited.

Directors' Interest based on the Register of Directors' Shareholdings as at 19 May 2010

Directors	Direct		Indirect	
	No. of shares	Percentage (%)*	No. of shares	Percentage (%)*
Tan Sri Datuk Dr. Haji Omar bin Abdul Rahman	-	-	-	-
Tan Sri Dato' Kok Onn	-	-	223,878,339	34.29 (1)
Puan Chan Cheong	3,425,395	0.52	223,878,339	34.29 (1)
Nik Mat Ismail	1,145,362	0.17	-	-
Ong Ju Yan	-	-	-	-
Boey Tak Kong	588,000	0.09	-	-
Yousuf Mohamed Yaqub Khayat	-	-	-	-
A. Shukor Bin S.A Karim	-	-	-	-
Yee Chee Wai (Alternate Director to Ong Ju Yan)	-	-	-	-

Note:

1 Deemed interested by virtue of their direct substantial shareholdings in Green Packet Holdings Ltd.

List of Thirty (30) Largest Registered Shareholders

Name	No. of shares	Percentage (%)*
1. ECML Nominees (Asing) Sdn Bhd Pledged Securities Account for Green Packet Holdings Ltd (001)	171,207,771	26.22
2. OSK Technology Ventures Sdn Bhd	104,046,338	15.94
3. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund HG22 for SMALLCAP World Fund, Inc.	52,599,216	8.06
4. MIDF Amanah Investment Nominees (Asing) Sdn Bhd Pledged Securities Account for Green Packet Holdings Ltd (MGM-GPH0001M)	41,639,194	6.38
5. PacificQuest	41,315,625	6.33
6. ECML Nominees (Asing) Sdn Bhd Pledged Securities Account for Springcove International Ltd (001)	15,000,000	2.30
7. Lembaga Tabung Haji	12,708,050	1.95
8. Green Packet Holdings Ltd	12,270,000	1.88
9. JF Apex Nominees (Asing) Sdn Bhd Pledged Securities Account for Chan Tuck Leong (Margin)	9,011,698	1.38
10. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund BZ52 for Levitt Capital Management, LLC	5,739,000	0.88
11. Amanah Raya Berhad Kumpulan Wang Bersama	5,000,000	0.77

List of Thirty (30) Largest Registered Shareholders (cont'd)

Name	No. of shares	Percentage (%)*
12. TCL Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Puan Chan Cheong	3,425,295	0.52
13. HSBC Nominees (Asing) Sdn Bhd AA Noms Sg for JY Ltd	2,918,000	0.45
14. HSBC Nominees (Asing) Sdn Bhd AA Noms Sg for YS Ltd	2,888,200	0.44
15. HSBC Nominees (Asing) Sdn Bhd AA Noms Sg for JX Ltd	2,656,000	0.41
16. HSBC Nominees (Asing) Sdn Bhd AA Noms Sg for YC Ltd	2,482,900	0.38
17. Nora Ee Siong Chee	2,437,300	0.37
18. Ong Lee Veng @ Ong Chuan Heng	2,380,000	0.36
19. Loh Teck Yen	2,050,000	0.31
20. Chan Tuck Leong	2,000,000	0.31
21. Lee Teng Hong	1,873,900	0.29
22. Tan Kin Lee	1,800,050	0.28
23. Ong Chiow Hock	1,800,000	0.28
24. HSBC Nominees (Asing) Sdn Bhd AA Noms Sg for YM Ltd	1,758,700	0.27
25. Khaw Swee Lean	1,555,150	0.24
26. OSK Nominees (Tempatan) Sdn Bhd Exempt An for OSK International Asset Management Sdn Bhd	1,500,000	0.23
27. HDM Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian (Hong Kong) Limited (Clients)	1,317,250	0.20
28. Tan Soo Lee	1,243,000	0.19
29. Amsec Nominees (Asing) Sdn Bhd AmFraser Securities Pte Ltd for Lim Choon Bock (206558)	1,171,200	0.18
30. Citigroup Nominees (Asing) Sdn Bhd UBS AG Singapore for Unique Joy Investments Inc.	1,125,000	0.17
Total	508,918,837	77.94

Note:

The analysis of shareholdings is based on the issued and paid-up share capital of the Company after deducting 4,707,700 ordinary shares bought back by the Company and held as treasury shares as at 19 May 2010

Analysis Of Warrantholdings

as at 19 May 2010

Holdings	No. of holders	Total holdings	Percentage (%)
1 – 99	42	1,806	0.00+
100 – 1,000	510	330,283	0.17
1,001 – 10,000	2,152	13,256,136	6.71
10,001 – 100,000	1,759	60,210,344	30.47
100,001 – 9,880,687	180	58,843,568	29.78
9,880,688* and above	3	64,971,638	32.88
TOTAL	**4,646**	**197,613,775**	**100.00**

Note:

+ Negligible

** 5% of issued Warrantholdings*

Substantial Warrantholdings (Holding 5% or More of the Warrants) based on the Register of Substantial Warrant Holders as at 19 May 2010

Shareholders	Direct		Indirect	
	No. of warrants	Percentage (%)*	No. of warrants	Percentage (%)*
Green Packet Holdings Ltd	27,243,422	13.79	-	-
OSK Technology Ventures Sdn Bhd	23,956,341	12.12		
PacificQuest	13,771,875	6.97	-	-
Puan Chan Cheong	1,241,765	0.63	27,243,422	13.79 (1)
Tan Sri Dato' Kok Onn	-	-	27,243,422	13.79 (1)
OSK Ventures International Berhad	-	-	23,956,341	12.12 (2)
Ong Leong Huat @ Wong Joo Hwa	-	-	23,956,341	12.12 (3)
Sedco International Holdings Limited			13,771,875	6.97 (4)
AHL Holding Company Limited	-	-	13,771,875	6.97 (5)

Notes:

1 Deemed interested by virtue of their direct substantial shareholdings in Green Packet Holdings Ltd.
2 Deemed interested through its wholly-owned subsidiary, OSK Technology Ventures Sdn Bhd.
3 Deemed interested by virtue of his substantial shareholdings in OSK Ventures International Berhad, the holding company of OSK Technology Ventures Sdn Bhd.
4 Deemed interested by virtue of its interest in PacificQuest
5 Deemed interested by virtue of its interest in Sedco International Holdings Limited.

Analysis Of Warrantholdings

as at 19 May 2010 (continued)

List of Thirty (30) Largest Registered Warrant Holders

Name	No. of warrants	Percentage (%)*
1. ECML Nominees (Asing) Sdn Bhd Pledged Securities Account for Green Packet Holdings Ltd (001)	27,243,422	13.79
2. OSK Technology Ventures Sdn Bhd	23,956,341	12.12
3. PacificQuest	13,771,875	6.97
4. Shirley Goh Chean Hui	3,132,800	1.59
5. Chang Chin Fooi	2,200,000	1.11
6. Sim Seow Heng	2,000,000	1.01
7. Tan Kok Keat	1,380,000	0.70
8. Sim Seow Heng	1,250,000	0.63
9. TCL Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Puan Chan Cheong	1,241,765	0.63
10. Lim Sze Hock	1,100,000	0.56
11. Chan Weng Sing	1,010,000	0.51
12. Lim Mei Choo	1,000,000	0.51
13. Ong Yew Beng	1,010,000	0.51
14. Koh Pee Kiat	779,900	0.39
15. Chew Sue Synn	725,000	0.37
16. RHB Capital Nominees (Tempatan) Sdn Bhd Lei Yee Leong (T-071455)	660,000	0.33
17. Loh Yet Kong	633,000	0.32
18. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Sim Seow Heng	620,000	0.31
19. Green Packet Holdings Ltd	619,312	0.31
20. ECM Libra Investment Bank Berhad For PDT(008-04(SC)) Chee Siow Chin	616,900	0.31
21. Tan Kin Lee	600,050	0.30
22. Yeo Ann Seok	600,000	0.30
23. HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Jin Hui	600,000	0.30
24. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Kim Boon	550,000	0.28
25. Lee Bee Chu	530,000	0.27
26. Kong Len Wei	510,625	0.26

Analysis Of Warrantholdings

as at 19 May 2010 (continued)

List of Thirty (30) Largest Registered Warrant Holders (cont'd)

Name	No. of warrants	Percentage (%)*
27. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Tai Cheong @ Chin Tai Cheong	500,000	0.25
28. HDM Nominees (Tempatan) Sdn Bhd Phillip Securities Pte Ltd for Pun Engan	500,000	0.25
29. Leong Ean Peau	500,000	0.25
30. Lim Hui Ngo	500,000	0.25
Total	90,330,900	45.71

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of GREEN PACKET BERHAD will be held at The Auditorium, Level 11, Packet Hub, 159, Jalan Templer, 46050 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 June 2010 at 10.00 a.m. for the purpose of considering the following businesses:

AGENDA

Ordinary Business

1. To lay the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and the Auditors thereon.

2. To approve the payment of Directors' fees of RM225,000 for the financial year ended 31 December 2009 (2008: RM219,000). *Ordinary Resolution 1*

3. To re-elect the following Directors who are retiring pursuant to the Company's Articles of Association, and being eligible, offering themselves for re-election:

   - Ong Ju Yan, retiring pursuant to Article 86 of the Articles of Association *Ordinary Resolution 2*

   - Yousuf Mohamed Yaqub Khayat, retiring pursuant to Article 86 of the Articles of Association *Ordinary Resolution 3*

4. To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965 as an ordinary resolution:

   "THAT Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman who retires pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed Director of the Company to hold office until the next annual general meeting." *Ordinary Resolution 4*

5. To re-appoint Messrs Crowe Horwath (formerly known as Messrs Horwath) as Auditors of the Company and to authorise the Directors to fix their remuneration. *Ordinary Resolution 5*

Special Business

To consider and if thought fit, pass the following ordinary resolutions:

6. **Authority to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company at the time of issue and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued, subject to the Companies Act, 1965, the Articles of Association of the Company and approval from the Bursa Malaysia Securities Berhad and other relevant regulatory authorities where such approval is necessary." *Ordinary Resolution 6*

7. **Proposed Renewal of Authority to Directors on Purchase of the Company's own Shares**

"THAT subject to Section 67A of the Companies Act, 1965 ("the Act") and Part IIIA of the Companies Regulations, 1966, provisions of the Company's Articles of Association and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM0.20 each in the Company's issued and paid-up share capital through the Bursa Securities subject further to the following: -

(i) the maximum number of shares which may be purchased and / or held by the Company shall be equivalent to ten per centum (10%) of the issued and paid-up share capital of the Company ("Shares") for the time being;

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits and share premium account of the Company. As of 31 December 2009, the audited retained profits and share premium account of the Company were RM48,713,000 and RM345,530,000 respectively;

(iii) the authority conferred by this resolution will commence immediately upon passing of this resolution and will expire at the conclusion of the next Annual General Meeting ("AGM") of the Company, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next AGM after that date is required by the law to be held, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities or any other relevant authority; and

(iv) upon completion of the purchase(s) of the Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Shares in the following manner: -

(a) cancel the Shares so purchased; or
(b) retain the Shares so purchased as treasury shares; or
(c) retain part of the Shares so purchased as treasury shares and cancel the remainder; or
(d) distribute the treasury shares as dividends to shareholders and / or resell on the Bursa Securities and/ or cancel all or part of them; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any condition, modification, variation and / or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto." *Ordinary Resolution 7*

BY ORDER OF THE BOARD

LIM MING TOONG (MAICSA 7000281)
NG LAI YEE (MAICSA 7031768)
Company Secretaries

Kuala Lumpur
7 June 2010

Notes :

1. *A member entitled to attend and vote at this meeting is entitled to appoint proxy/proxies to attend and vote in his stead but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. If the proxy is not a member of the Company, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.*

2. *A member shall be entitled to appoint up to three (3) proxies to vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*

3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing and if the appointor is a corporation/company, either under its common seal or the hands of its attorney.*

4. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. *The proposed Ordinary Resolution 6 if passed, will give the Directors of the Company authority to issue and allot shares for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.*

   The general mandate will provide flexibility to the Company for the allotment of shares for any possible fund raising activities, including but not limited for the placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

   Pursuant to the mandate granted at the last Annual General Meeting held on 22 May 2009, the Company allotted and issued 337,232 ordinary shares of RM0.20 each in the Company pursuant to the Company's Employees' Share Option Scheme.

2. *The proposed Ordinary Resolution 7, if passed, will empower the Company to purchase and / or hold up to ten per centum (10%) of the issued and paid-up share capital of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting.*

   Please refer to the Share Buy-Back Statement dated 7 June 2010 which is dispatched together with this Annual Report for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Further details of the Directors standing for re-election or re-appointment are set out in the Profile of Directors appearing on pages 20 to 22 of the Annual Report.

Notes

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Form Of Proxy

GREEN PACKET BERHAD (534942-H)
(Incorporated in Malaysia under the Companies Act, 1965)

greenpacket
always best connected

I/We .....

of .....

being a Shareholder of **GREEN PACKET BERHAD** (534942-H) hereby appoint *THE CHAIRMAN OF THE MEETING or failing him/her

Name	Address	NRIC/ Passport No.	proportion of Shareholdings (%)
1.			
*And/or (delete as appropriate)			
2.			
*And/or (delete as appropriate)			
3.			

as my/our proxy/proxies, to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held at The Auditorium, Level 11, Packet Hub, 159, Jalan Templer, 46050 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 June 2010 at 10.00 a.m or at any adjournment thereof.

* *If you wish to appoint other person/persons to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting or failing him" and insert the name/names of the person/persons desired.*

My/our proxy/proxies is/are to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Approval of payment of Directors' fees		
2.	Re-election of Ong Ju Yan as Director		
3.	Re-election of Yousuf Mohamed Yaqub Khayat as Director		
4.	Re-appointment of Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman as Director		
5.	Re-appointment of Messrs Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration		
6.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		
7.	Proposed Renewal of Authority to Purchase its Own Shares by the Company		

(Please indicate with a cross (X) in the space provided, how you wish your vote to be cast in respect of the above resolutions. If you do not do so, the proxy may vote or abstain at his/her discretion.)

Dated this..... day of.....2010

Number of shares held

.....
Signature/Common Seal of Shareholder

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Notes:-

1. A member entitled to attend and vote at this meeting is entitled to appoint proxy/ proxies to attend and vote in his stead but such attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the company. If the proxy is not a member of the company, he need not be an advocate, an approved company auditor or a person approved by the registrar of companies.

2. A member shall be entitled to appoint up to three (3) proxies to vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing and if the appointor is a corporation/company, either under its common seal or the hands of its attorney.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

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Stamp

The Company Secretary

Green Packet Berhad

(534942-H)

10th Floor Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur

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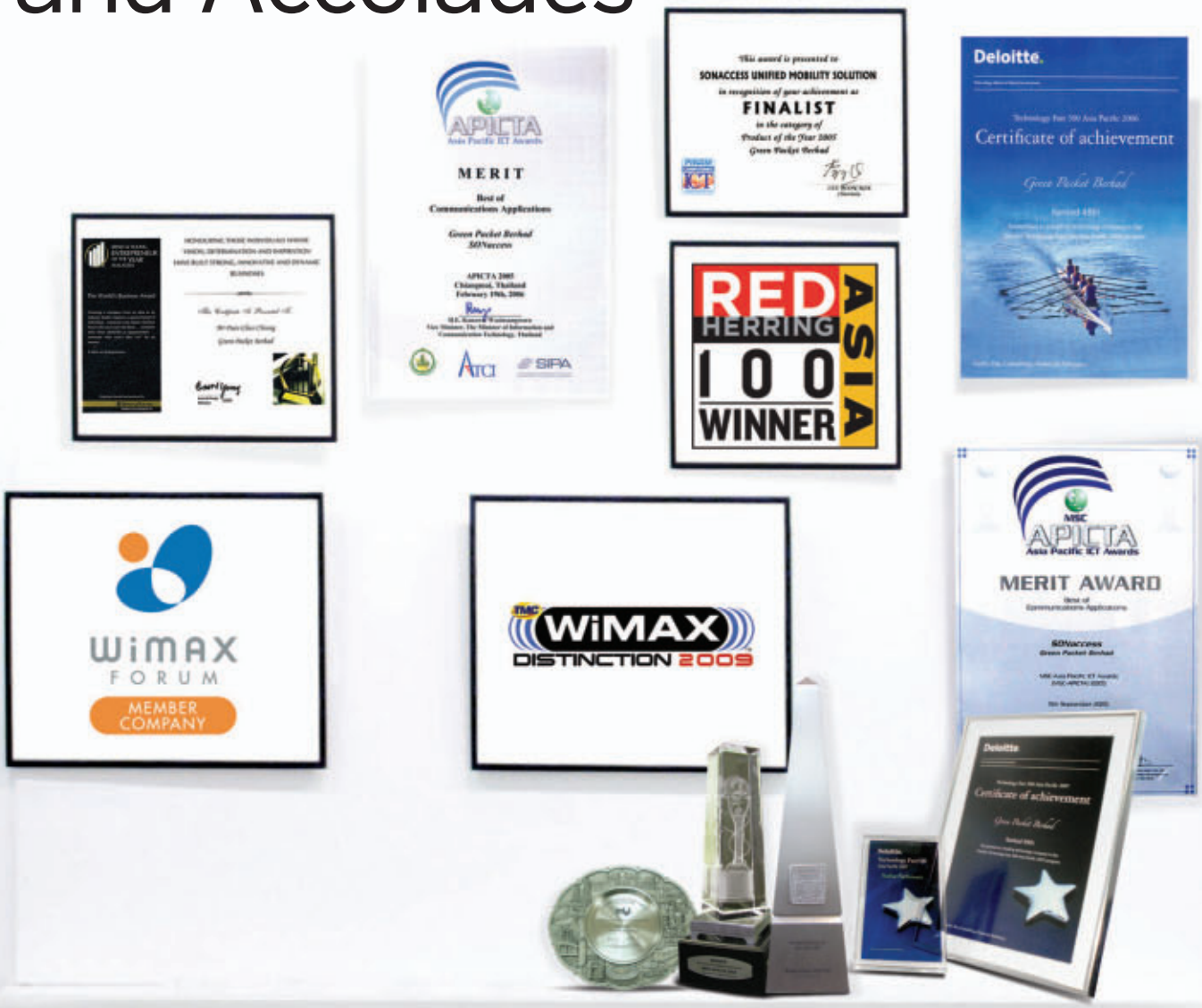
Our Awards
and Accolades



- MSC-APICTA Award - Best of Start-Up Company, 2009 (P1)
- Appointed as Board Member of WiMAX Forum® (P1)
- Ranked top 10 Tech Brands for 2009 - PC.COM (P1)
- Named Best WiMAX Service 2009 - PC.COM (P1)
- Awarded Best Direct Mail 2009 Gold - Direct Marketing Association (P1)
- Winner of TMC WiMAX Distinction 2009 awards for Green Packet D Series and U Series modems
- Nominee, Mobile Content Award 2009 for Green Packet Intouch Connection Manager
- Red Herring Asia 2008 - Most Innovative Private Technology Company (P1)
- No. 1 Commercial WiMAX Network in the Asia Pacific (P1)
- No. 2 Commercial WiMAX Network in the world - 802.16e 2.3 GHz (P1)
- Winner of Deloitte Technology Fast 500, Asia Pacific 2007
- Listed amongst "14 of Asia's Brightest Technology Companies" in Network World Asia, 2007
- Winner of the MSC-APICTA Merit Award (Communications Application Category) for 2005
- Winner of the 2004 PIKOM Technopreneur of the Year Award (Puan Chan Cheong, Group Managing Director/ CEO of Green Packet Berhad)
- Winner of Intel's "Outstanding Solution Provider Award for Education in the Asia Pacific, 2004"
- Winner of MSC-APICTA Award (Communications Application Category) for 2004
- Listed amongst the "10 Mobile Technology Companies to Watch" in San Jose Mercury News, 2003

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