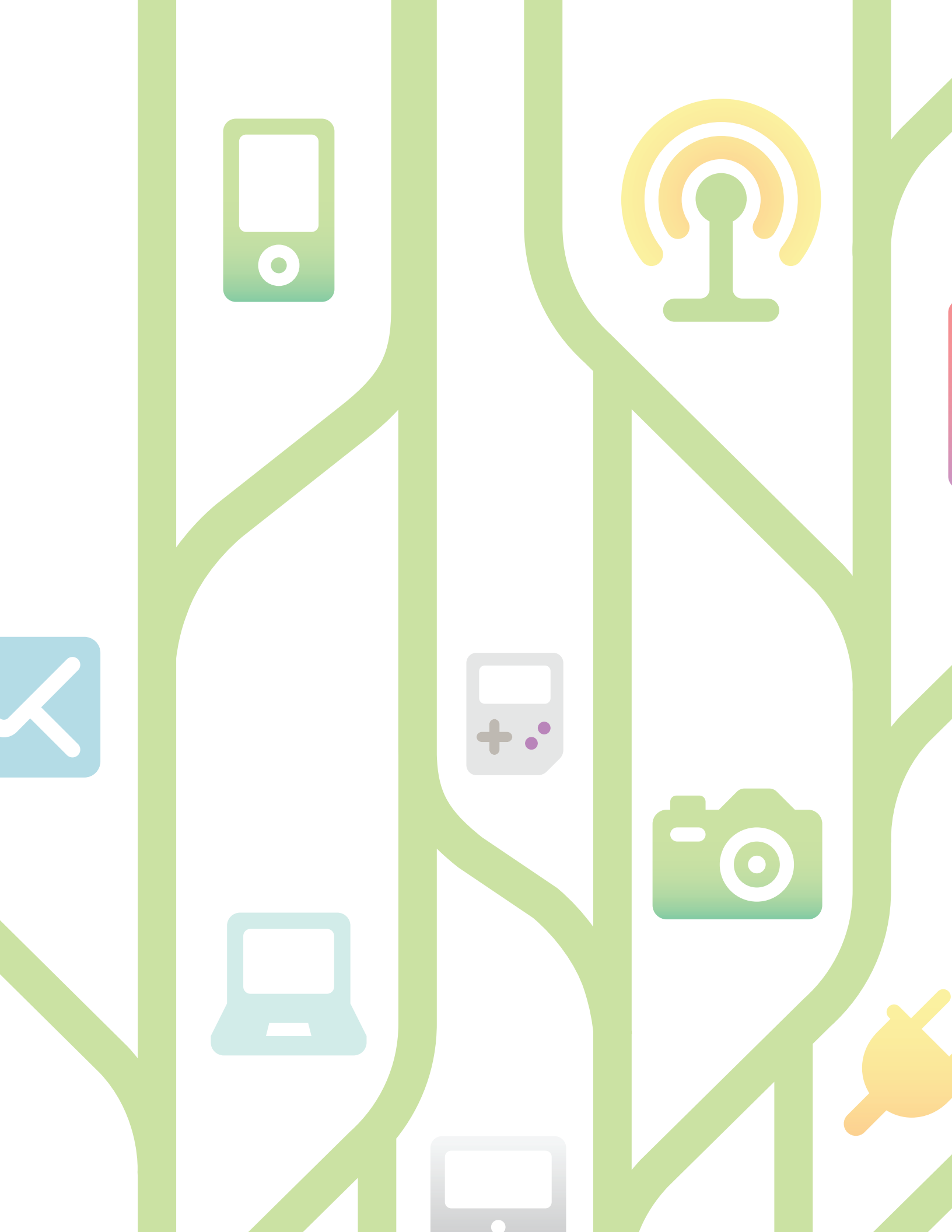
ANNUAL REPORT **2010**

greenpacket

always best connected



Contents

our group 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.

MISSION

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

About Green Packet

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

Green Packet is today headquartered near Malaysia's robust capital city, Kuala Lumpur, and is listed on the Main Market of Bursa Malaysia Securities Berhad. It has operations in the USA, Singapore, China, Taiwan, Australia, Bahrain, Hong Kong, Spain and Brazil, and employs more than 1,200 employees.

Over the years, the Company has evolved to be recognized as a leading player in Next Generation mobile broadband and networking solutions with an exceptional range of revolutionary communications products and services. Its business is anchored on two key pillars -

" Solutions
and
Converged Communications Services "

Green Packet presents a compelling business case to the entire wireless value chain - device manufacturers, telecommunications companies (Telcos) and end-consumers - for the implementation of pervasive wireless access to fulfill the customer's needs and expectations for connectivity, mobility, security and lifestyle requirements.

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

Our core business

PILLAR 1: SOLUTIONS | Provision of leading carrier-grade solutions and award winning consumer devices to Telcos and device manufacturers

Green Packet has expertise in providing a seamless and unified platform to deliver multimedia communications and services regardless of the nature and availability of backbone infrastructures. Its range of products opens up new avenues for Telcos and device manufacturers to gain competitive advantage by enabling the seamless integration of fixed, mobile, voice, and data networks; and their provision of anytime, anywhere access and relevant content to the end-user.

PILLAR 2: CONVERGED COMMUNICATIONS SERVICES | Provision of 4G wireless broadband converged services spanning connectivity, communications, and content and services

Green Packet's subsidiary, Packet One Networks (Malaysia) Sdn Bhd better known as P1, is Malaysia's first and leading 4G Telco providing Malaysian broadband consumers with superior value high speed wireless broadband services to realize P1's 'broadband for all' mission.

Green Packet prides itself as a leading developer of Next Generation mobile broadband and networking solutions to support our envisioned future of absolute freedom in wireless communications. Our extensive portfolio of highly innovative carrier-grade solutions and award-winning consumer devices helps Telecommunication Companies (Telcos) meet new consumer demands and forge stronger relationships.

Green Packet's award-winning carrier-grade 4G devices and connectivity solutions are deployed by leading Telcos in more than 60 countries across six continents. We are the world's third largest WiMAX device vendor and the No.1 connection management software solution in Asia.

CARRIER SOLUTIONS

Green Packet's range of carrier solutions span across connectivity, communications, content delivery and diagnostics. Our carrier solutions facilitate meaningful and lifestyle driven connectivity experience that is feature-rich and customizable for best-in-class end-user experience and addresses carrier's prevailing need for network convergence.

Solutions

INTOUCH CONNECTION MANAGER

Intouch Connection Manager for Desktop (client component), winner of 4G Wireless Evolution Product of the Year 2010

Intouch Connection Manager for Mobile (client component)

intouch

GREEN PACKET'S AWARD-WINNING INTOUCH CONNECTION MANAGER (ICM)

ICM is a carrier-grade solution that uses Mobile IP technology to provide a seamless and truly ubiquitous connectivity experience. The solution facilitates automatic and transparent hand-off between available networks empowering the operator and their end-user with the ability to remain connected anytime, anywhere in a secure network environment across a single unified platform.

The ICM application had been extended to three of the world's most popular mobile platforms, Android, Symbian, and Windows Mobile, to enable operators to deliver enhanced connectivity experience to their end-users across all mobile handheld devices.

INSTINQ DIAGNOSTIC SYSTEM

Instinq Self-Healing Diagnostic Manager (client component)

Instinq Self-Healing Diagnostic System (Instinq SDS) is an intelligent solution that proactively diagnoses and automatically resolves connectivity issues in offline and online mode to significantly ease support efforts. By incorporating artificial intelligence (AI), it provides troubleshooting and problem resolution without the need for customer support intervention. This is done through inbuilt knowledge models with intelligence to identify and solve connectivity glitches.

Indoor. Outdoor. Mobile.

DEVICES

DX Tower WiMAX Indoor Modem, winner of '4G Wireless Evolution Product of The Year 2010'

UH Shuttle WiMAX USB Modem, winner of '4G Wireless Evolution Product of The Year 2010' and (iF Product Design Award)

EX WiMAX Indoor Modem from Green Packet's EX-series of cost effective modems

1 UT WiMAX USB Modem
2 OX WiMAX Outdoor Modem
3 Greenpacket Pocket Modem

Green Packet's comprehensive range of field-tested WiMAX modems encompasses indoor, outdoor, USB dongles and pocket modems for personal, residential, and enterprise use. Green Packet's award-winning WiMAX modems are widely recognized by 4G operators to be best-in-class devices with superior indoor and outdoor signal quality performance, rich features and attractive form factor.

Converged Communications Services

P1™ beyond broadband

Packet One Networks (Malaysia) Sdn Bhd ("P1") is Malaysia's leading 4G telecommunications company with the country's widest WiMAX coverage and largest WiMAX subscriber base. P1 pioneered 4G WiMAX in Malaysia in 2008. It also represents the first large-scale commercial 4G WiMAX deployment in Southeast Asia, and the first large-scale deployment of an 802.16e 2.3GHz WiMAX network outside of Korea.

It is P1's aim to provide *broadband for all* by making access to the internet universal, ubiquitous and affordable for every Malaysian.

Since its entry into the Malaysian market, P1 has received numerous recognitions for its achievements. These include 'Red Herring Asia's Most Innovative Private Technology Company' in 2008; the 'MSC Malaysia APICTA Best of Start-Up Companies' award in 2009; and 'Most Promising Service Provider of the Year' by the prestigious 2010 Frost & Sullivan Malaysia Telecoms Awards. P1's "Cut Already?" advertising campaign that ran in 2009 bagged Gold at the highly coveted '2010 Malaysia Effie Awards' which recognizes the most effective marketing campaigns.

The DX230 is technologically advanced and ultra sleek and modern

Super W1GGY is the solution for staying 'connected' while on-the-go

P1 INTRODUCES ITS MOST ADVANCED 4G MODEM

The 3-IN-1 DX-230 with sleeker design, more powerful reception, enhanced WiFi performance and more

P1 is steadfast in serving high value, and innovative products and packages to Malaysian broadband consumers to deliver the best 4G experience.

Its latest DX-230 modem for home and SOHO users comes with inbuilt WiFi, voice ports, and Local Area Network (LAN) ports for the best 3-in-1 wireless 4G broadband experience. The DX-230 delivers superior performance through technological enhancements with two inbuilt high gain antenna with MIMO (multiple in, multiple out) capabilities. In addition, it integrates the latest 802.11n WiFi standard allowing users to enjoy better WiFi performance and coverage with even with multiple users sharing. It is also compatible with and supports the common 802.11b/g WiFi. The sleek and unique design of the DX-230 is a strong feature that appeals to the aesthetic needs of today's sophisticated consumers.

Super W1GGY - revolutionary broadband on-the-go

The new UH-235 dubbed 'Super W1GGY' provides for better on-the-go performance. The 'Super Wiggy' is technologically enhanced with dual Omni Antenna and 5dBi gain hence enabling the modem to receive signals from any direction. It also automatically selects the best of its two inbuilt antennas to improve signal strength and deliver speeds of up to 10Mbps. 'Super W1GGY' also allows for better indoor penetration with 25dBm transmission power if the user chooses to use the device at home or in the office. In addition, it comes with a longer 1 meter USB cable for connecting the modem to a laptop which ensures added flexibility to the user in modem placement for optimal signal strength.

P1 4G GETTING STRONGER, WIDER, FASTER

P1's big bang advertising campaign for 2010 carried the tagline 'Getting Stronger, Wider, Faster, by the day' attesting to its network readiness and commitment to deliver the best end-to-end wireless 4G broadband experience. It concurrently launched Malaysia's first all-in-one 4G 'Super Broadband' package, which bundled home and on-the-go broadband services with nominal incremental cost to support its mission to make 4G broadband more affordable and accessible for all Malaysians.

The Super Broadband Kids featured in the 'Getting Stronger, Wider and Faster by the day' campaign.

P1 Turned 2 with over 200,000 happy subscribers on its 4G network.

P1 helped raise awareness on the Aids epidemic through the AidsAware campaign

Our corporate MILESTONES '10

JANUARY '10

Green Packet Berhad (Green Packet) signed a "Heads of Agreement" with ZTE Corporation, a leading global provider of telecommunications equipment and network solutions. The agreement specifies that ZTE would provide a vendor financing package (credit line and financing facilities) of up to US$150 million (RM509 million) to Green Packet for the design, supply, installation, integration, and maintenance of telecommunications equipment to support the WiMAX network rollout of Green Packet's subsidiary company, Packet One Networks (Malaysia) Sdn Bhd (P1).

Green Packet established its North American sales office to strengthen its market position and to support the growing demands of the market.

P1 received a RM50 million loan from Malaysia Debt Ventures Berhad (MDV), a wholly-owned subsidiary of the Ministry of Finance Inc, to finance the continued rapid expansion of P1's 4G service nationwide.

MARCH '10

Green Packet inked its third partnership deal in Taiwan with WiMAX operator, Global Mobile Corp to gain 75% of Taiwan's WiMAX marketshare.

APRIL '10

Green Packet launched a cost-effective WiMAX modem range, the EX-series with VoIP points which supports the 2.3, 2.5 and 3.5GHz WiMAX frequency bands.

P1 partnered with Malaysia's national postal service, POS Malaysia, to leverage on its extensive network of outlets to make P1 4G accessible to as many Malaysians as possible. With the partnership, P1 subscribers can make bill payments, register for postpaid services, and purchase top-up credits for prepaid services at the 600 Pos Malaysia outlets around Peninsular Malaysia.

MAY '10

Green Packet together with Intel launched "Interact Collabright," a solution which delivers true Personal Area Network (PAN) technology to extend the capabilities of Intel® My WiFi Technology.

P1 granted a full turnkey contract for its Phase III network deployment to ZTE (Malaysia) Corporation Sdn Bhd and ZTE Corporation to cover 65% of the Malaysian population by 2012. The contract worth US$76 million is inclusive of network deployment, planning and design; equipment supply; engineering services; and network optimization.

P1 was named "Most Promising Service Provider of the Year" at the Frost & Sullivan Malaysia Telecoms Awards 2010 in recognition of its wide-ranging efforts and achievements in expanding 4G wireless broadband services throughout the country.

INNOVATION.

Keep Improving By Doing Things Differently
To Deliver Remarkable Results!

MAY '10 continued

P1 completed nine Community Broadband Centres (CBCs) to provide 4G WiMAX wireless broadband services to underserved areas in the Malaysian states of Perak and Kedah as part of the government's Universal Service Provision Fund program to bridge the digital divide. The CBCs are the world's first on the 2.3GHz WiMAX spectrum band, and serve 3,500 homes and over 21,000 settlers in the Federal Land Development Authority (FELDA) settlement areas.

JUNE '10

Green Packet sealed a deal with Haier, the world's third largest white goods manufacturer, to power its solution branded notebook, Haier U-Link with the Interact Collabright solution.

P1 announced a strategic alliance with SK Telecom, the leading mobile service provider in Korea. Through the strategic alliance, SK Telecom acquired a 25.8 percent stake in P1 for a cash consideration of the Ringgit Malaysia equivalent of US$100 million to become its second largest shareholder after Green Packet Berhad.

P1 together with Intel launched Malaysia's first WiMAX-ready 4G laptops to promote the uptake of wireless broadband in the country and proactively contribute to Malaysia's broadband penetration goal.

AUGUST '10

Green Packet won a WiMAX modem supply deal with GO (Etihad Atheeb Telecom Co.), a fast growing 4G operator in the Kingdom of Saudi Arabia.

P1 launched its new 3-in-1 modem with inbuilt WiFi, voice ports, and Local Area Network (LAN) ports for enhanced wireless 4G broadband experience.

P1 celebrated its 2nd anniversary and the company's key milestones at its headquarter, Packet Hub. On its second birthday, P1 had over 200,000 subscribers on its network which covered 40% of the West Malaysian population.

SEPTEMBER '10

Green Packet was allocated 20MHz of 2.6 GHz Broadband Wireless Access spectrum by the Malaysian Communications and Multimedia Commission. The LTE-TTD license will be available for P1's use from January 1, 2013.

Green Packet formalized a business partnership with Augere Holdings to support the latter's broadband services operations in the South Asian region.

Green Packet unveiled its new Portable WiMAX-WiFi Router equipped with WiMAX and 802.11b/g WiFi chipset. The router enables the sharing of fast personal WiMAX broadband connection and instant networking of devices while on-the-go.

P1 and Avaya collaborated to build on their respective expertise and strengths and to cross-market the P1 NGV SIP Trunking Service and the Avaya system.

OCTOBER '10

Green Packet launched the exciting UT WiMAX USB modem that comes with interchangeable snap-on skins of varied designs for operators to target the trendy young subscriber segment.

P1 changed its service name from P1 WiMAX to P1 4G to better represent its leadership in the 4G space in Malaysia, and to reflect its aim to always provide the best connectivity to its users using the best 4G technology available.

NOVEMBER '10

Green Packet clinched three WiMAX modem supply deals with operators in Nigeria, Zimbabwe and Malawi, to be well positioned for Africa's projected broadband boom.

DECEMBER '10

Green Packet signed a deal with Time Warner Cable to supply its next generation connection management solutions. Time Warner Cable is the second largest cable operator in the U.S.A with 14.5 million customers across 28 states.

At the **Green Packet** Group, corporate responsibility is integrated into every aspect of our business to enhance shareholder value. It guides the way we make business decisions, manage risks, the way we operate, the design and development of our products and services, to how we grow our people and the way we communicate.

Corporate RESPONSIBILITY

EMPLOYEE ENGAGEMENT

We believe that our employees, whom we refer to as 'Packeteers,' are the most important asset of our company. The Group aims to find and keep the highest caliber employees and encourage their strong contribution through various communication tools and activities. These include:

PacketNet, The Group's intranet portal, which facilitates our employees' daily administrative tasks and enables robust information and knowledge sharing amongst employees.

Face-to-face sessions which comprises our Quarterly Team Meet or casual 'Teh Tarik' (tea) sessions for employees to get closer to Top Management and provide feedback about the Company.

Active information updates on key corporate developments and activities disbursed via platforms such as email, memo board, and the Company's bi-monthly internal e-newsletter. In May 2010, the Company launched a new and improved internal e-newsletter, 'Packeteers' Pride,' with the aim to feature more extensive and in-depth content and to increase the profiling of our employees.

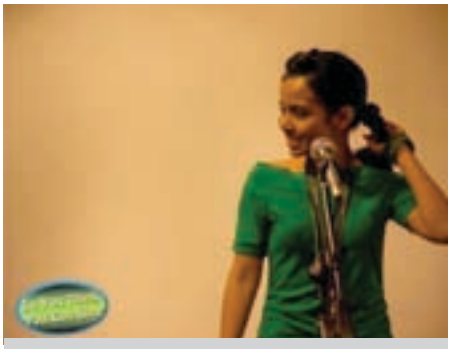
Fielding of ideas, input and feedback with easily accessible channels such as the email-based 'Idea Hub' and 'speakout' boxes located at every floor of our office building.

A GREAT WORKPLACE

We try to create a great workplace for our employees as they spend so many hours at work. This extends beyond facilities such our dedicated employee recreation floor, rooftop garden, in-house cafeteria; to promoting positive interaction amongst employees and encouraging work-life balance.

To promote casual and open communication amongst employees, we create a casual and open environment at work which is achieved by the design of our office spaces, management's open door practices, and our 5-day dress down policy.

We also try to facilitate closer relationships amongst employees primarily through the Green Packet Group (GPG) Sports & Social Club which organizes events and activities throughout the year. One of the big hits in 2010 is the 'So you think you can sing' contest which involves a staff voting mechanism to get everyone involved.



She sure can sing! Winner Zuraida Binti Ja'afar mesmerized her colleagues with her beautiful voice.

To encourage a healthy lifestyle, employees have access to a line-up of weekly sporting activities such as 'silat' (a Malaysian form of martial arts), yoga, futsal, badminton and basketball. The GPG Sports & Social Club is also responsible to create festive joy around the many cultural festivities in the year to celebrate our diversity. The GPG Sports & Social Club is run by employees of the Group on a voluntary basis with members elected by their peers annually.

FUN, HEALTH AND TOGETHERNESS

God of Prosperity makes an appearance at Packet Hub to celebrate the Chinese Lunar New Year.

Champions of futsal tournament, Packet Cup

Malaysia's no. 1 English radio station, hitz.fm, brings fun and lots of freebies to employees.

PASSION

We Will Rock the World by Making Things Possible… and Have Fun Along the Way.

CAPABILITY BUILDING

Developing our people is a key strategy to grow the Group business. Our dedicated Learning & Development department continues to plan and organize in-house and external training programs based on the individual needs of our employees and in line with business requirements. GP Beyond, the Group's e-learning platform carries a rich resource of relevant training and development courses that employees can access at anytime and complete at their own pace.

In 2010, the Group also kick-started the CEO Leadership Program especially for key talents of the Group - high performing employees who have the potential to grow with the company and those who have specialized skill sets. The program combines lectures, workshops, discussions and information sharing in a small group setting and 1-on-1 mentoring by the Group's top management team.

PHILANTHROPY

The GPG Sports & Social Club continues to champion the Group's philanthropic efforts as we believe they can effectively represent our employees' wishes on the causes to support being close to the ground.

In 2010, the two staple activities that we organize annually continue to garner strong participation from our employees. There are the two blood donation drives held in March and August to supplement the low blood supply of a local public hospital: And our third consecutive showing for the annual Terry Fox Run to raise awareness and funds for cancer research held in November.

Packeteers give blood to give life.

In 2010, the Group supported rummzcauses, a social charity portal, for the AIDS Aware campaign. AidsAware is the first of its kind "crowd-sourced" project in Malaysia to create awareness and help stop the spread of HIV and AIDS through the Internet and a social network.

The idea is simple but powerful built on the premise that the first step to making any change is creating awareness. The campaign invited the online community to share, spread, and BE the message by posting an individual photograph with a personal message on the HIV/AIDS epidemic. The campaign targeted to collect 13,000 messages by World AIDS Memorial Day on 16 May 2010 to remember the more than 13,000 Malaysians who have died of AIDS.

COMMUNITY

P1Edu at KDU, a local college in Penang

P1 Expert Net 2010

P1Edu | In 2010, Packet One Networks (Malaysia) Sdn Bhd ("P1") reached out to the youth community with the mission to have them believe that any dream is achievable with the right mindset giving birth to the P1Edu initiative. The initiative aims to inspire youth to excel in their pursuit of education through a seminar series featuring ordinary Malaysians who made it into some of the most prestigious universities in the world namely Oxford, Cambridge, Harvard and MIT.

WiMAX Walk | WiMAX Walk aims to expose our next generation of engineers to the latest technology. Throughout 2010, P1 hosted over 500 engineering students from various universities at its headquarters to share on the 4G WiMAX technology and its pioneering experience of deploying the 4G technology in Malaysia. These students also got to see P1's LIVE network control center and learn about the Company's products and services.

P1 Expert Net | The P1 Expert Net forum introduced in 2009 brings together key industry leaders and area experts to discuss on the development of broadband and the building of connected communities in Malaysia. P1 Expert Net 2010 had a panel deliberate on how content creation can be accelerated, and its role in raising broadband penetration in the country. The panelist of key industry players comprise of James Chong, Chief Executive of RuumzNation Sdn Bhd; Pete Teo, musician, actor and producer of the P1 Malaysian Filmmaker Showcase 15Malaysia project; Hasnul Hadi Samsudin, Head of Multimedia Super Corridor Malaysia Animation and Creative Content Center of the Multimedia Development Corporation; and Ken Loa, a special guest from the Institute for Information Industry (III), Taiwan.

ENVIRONMENT

We continue to work towards a greener Green Packet with workplace energy saving initiatives and adoption of e-platforms. To reduce vehicles on the road, the Group continues to provide shuttle services for our employees to get to and from public transportation hubs.

Corporate Information

BOARD OF DIRECTORS

TAN SRI DATUK DR. HAJI OMAR BIN ABDUL RAHMAN
Chairman / Independent Non-Executive Director

PUAN CHAN CHEONG
Group Managing Director / Chief Executive Officer

NIK MAT BIN ISMAIL
Executive Director / Vice President of Business Development

TAN SRI DATO' KOK ONN
Non-Independent Non-Executive Director

ONG JU YAN
Non-Independent Non-Executive Director

RAMI BAZZI
Non-Independent Non-Executive Director

BOEY TAK KONG
Independent Non-Executive Director

A. SHUKOR BIN S.A. KARIM
Independent Non-Executive Director

YEE CHEE WAI, PATRICK
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
1A-A - 4A-A Jalan USJ10/1A
Pusat Perniagaan USJ10
47610 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

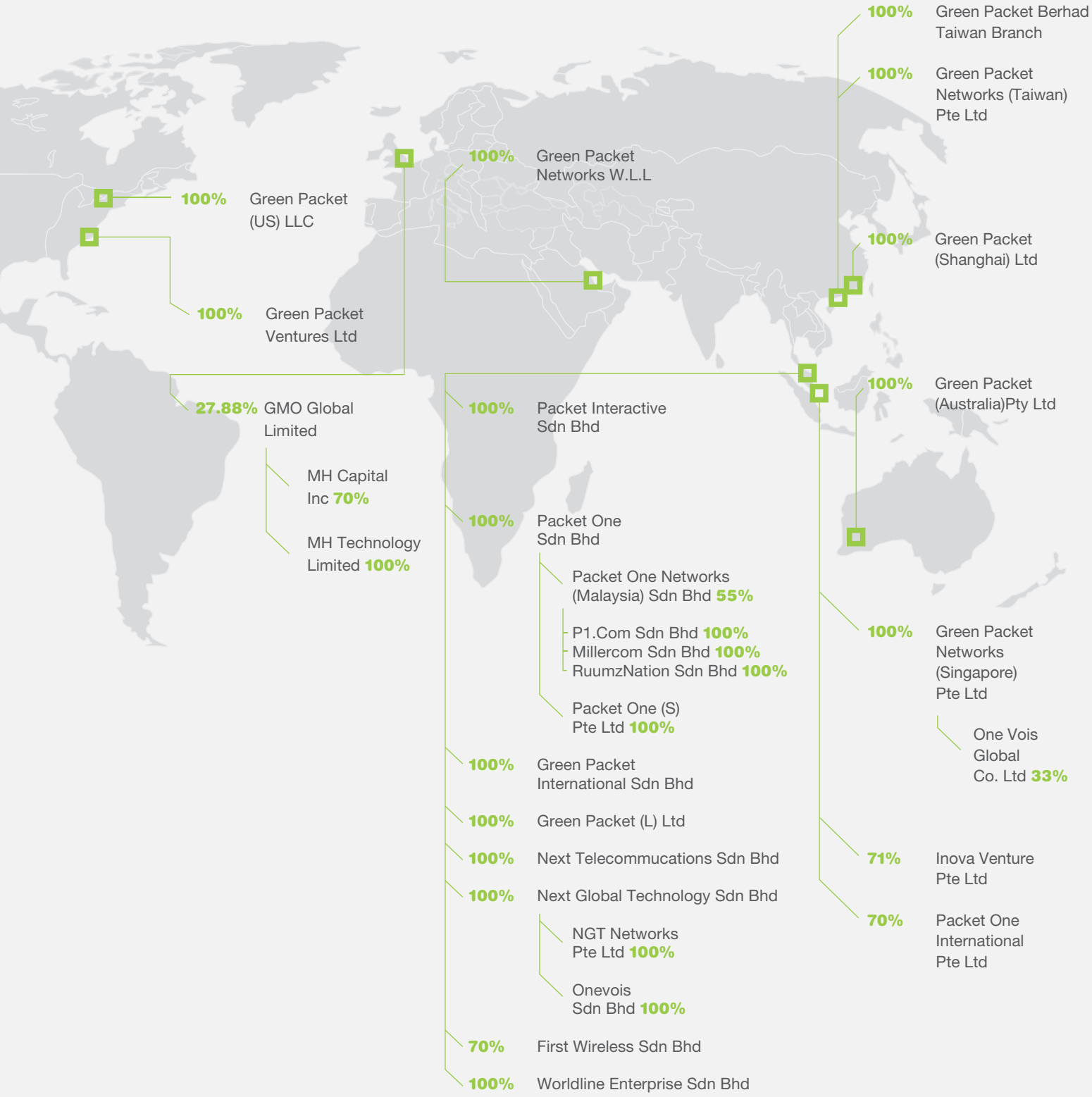
WEBSITE

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



Board Of Directors

1 TAN SRI DATUK DR. HAJI OMAR BIN ABDUL RAHMAN
Chairman / Independent Non-Executive Director

2 PUAN CHAN CHEONG
Group Managing Director / Chief Executive Officer

3 NIK MAT BIN ISMAIL
Executive Director /
Vice President of Business Development

4 A. SHUKOR BIN S.A. KARIM
Independent Non-Executive Director

5 RAMI BAZZI
Non-Independent Non-Executive Director

6 ONG JU YAN
Non-Independent Non-Executive Director

7 TAN SRI DATO' KOK ONN
Non-Independent Non-Executive Director

8 BOEY TAK KONG
Independent Non-Executive Director

9 YEE CHEE WAI, PATRICK
(Alternate Director to Ong Ju Yan)

Service Excellence

Service Excellence is "WOW" experiences
Wonderful, Outstanding, and
Way Beyond Expectations

Profile Of DIRECTORS

TAN SRI DATUK DR. HAJI OMAR BIN ABDUL RAHMAN

Chairman / Independent Non-Executive Director

TAN SRI DATUK DR. HAJI OMAR BIN ABDUL RAHMAN, a Malaysian, aged 78, 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, Nomination Committee and a member of the Audit Committee and Board Tender 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 ("R&D") and for commercialization of the results of research. He was the founder chairman of Technology Park Malaysia Corporation ("TPM"), 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 immediate past 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, BCT Technology Berhad and GW Plastics Holdings 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.

PUAN CHAN CHEONG

Group Managing Director / Chief Executive Officer

Puan Chan Cheong, a Malaysian aged 43, was appointed as a Chief Executive Officer of the Company on 1 November 2003. He is also a member of the Remuneration Committee and the Board Tender Committee of the Company.

Mr Puan is currently the Group Managing Director/Chief Executive Officer of Green Packet Berhad ("GPB"), a fully integrated mobile broadband player in the 4G space. GPB is both a technology developer of 4G software solutions and devices for global telecommunications companies, and a 4G Telecommunications Company (Telco) offering converged communications services in Malaysia via its subsidiary Packet One Networks (Malaysia) Sdn Bhd ("P1").

Under his stewardship, GPB is today the world's third largest vendor for WiMAX devices and the No.1 connection management solutions provider in Asia. The Company's 4G Telco, P1, is also Malaysia's first and leading 4G wireless broadband service provider with the largest network and subscriber base. GPB has operations in the United States of America ("USA"), Malaysia, Singapore, China, Taiwan, Australia, Bahrain, Hong Kong, Spain and Brazil.

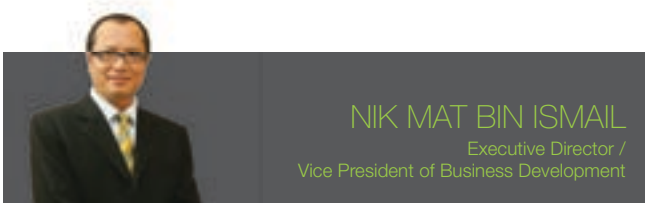
A visionary and astute entrepreneur, Mr Puan co-founded and sits on the board of GPB, Green Packet Inc incorporated in the USA, Green Packet International Inc and Green Packet Holdings Ltd in the British Virgin Islands, as well as the IBI Group of companies in Malaysia. He also successfully steered GPB to its listing on Bursa Malaysia Securities Berhad's MESDAQ Market on 25 May 2005, and subsequently the Main Market on 18 July 2007.

Mr Puan has more than 17 years of diversified business experience with a strong success track-record in consulting, and the development and management of large-scale telecommunications, infrastructure and property projects internationally. His personal accolades include the coveted PIKOM Technopreneur of the Year award.

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 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.



Nik Mat Bin Ismail, a Malaysian, aged 47, 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.

Tan Sri Dato' Kok Onn, a Malaysian, aged 60, 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 readymixed 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 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 all the five (5) Board Meetings of the Company held during the financial year under review.

Profile Of Directors
continued

ONG JU YAN
Non-Independent Non-Executive Director

Ong Ju Yan, a Malaysian, aged 32, 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.

Mr Ong is currently the Chief Operating Officer and Head of Investment Banking for OSK Investment Bank Berhad. His responsibilities include managing the Group's investment banking business and handling the Group's regional expansion strategy.

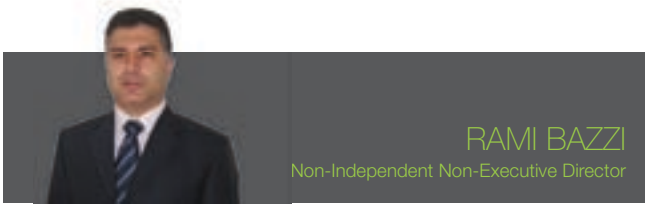
Mr Ong started his career in 2001 with Morgan Stanley & Co's Fixed Income Department in New York. In September 2002, he relocated to Morgan Stanley's Singapore office, where he was responsible for covering the firm's Asia-Pacific clients for foreign exchange and interest rate products.

Mr Ong holds a B.A. in Economics from Yale University.

Mr Ong is the son of Ong Leong Huat @ Wong Joo Hwa, an indirect major shareholder of the Company and also a nominee director of OSK Technology Ventures Sdn Bhd.

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



RAMI BAZZI
Non-Independent Non-Executive Director

Rami Bazzi, a Canadian, aged 40, was appointed as a Non-Independent Non-Executive Director of the Company on 16 February 2011.

Mr. Bazzi is responsible for managing Sedco Equity Partners' ("SEP") investment activities, looking after the development and management of strategic equity investments in private companies in the Middle East and Africa ("MEA") and Southeast Asia.

He brings to the firm extensive experience in the areas of private equity, corporate strategy, shareholder value improvement, business valuation, M&A analysis, risk management and credit risk.

Mr. Bazzi joined SEP from Injazat Capital, Dubai, UAE, where he was the Senior Executive Officer responsible for managing the bank's private equity and advisory services. Prior to that, he was the CFO of LITAT Group, a regional commodity trading group, where he was in charge of the group's investments' financing & negotiation and the restructuring of the organization.

Before that, Mr. Bazzi worked with Deloitte Consulting in Toronto, Canada, in the area of strategy and shareholder value analysis. He managed assignments for firms operating in North America, Europe and Asia. He covered various industries; including telecom, pharmaceutical, automotive, oil & gas, aluminium manufacturing, and retail. He was appointed as subject matter expert in the area of shareholder value to Canada's leading aerospace manufacturer, and the country's largest oil refinery.

Prior to Deloitte, Mr. Bazzi worked with the Royal Bank Financial Group in Toronto, Canada, in the areas of corporate credit risk, financial policy, and strategy. He was responsible for managing a portfolio of corporate debt exceeding $3 billion.

Mr. Bazzi's directorships in other public companies include Gefung Holdings Berhad as a director and CNA Group as an alternate director.

Mr. Bazzi earned a Master of Business in Administration and a Master of Science in Finance from Concordia University, Canada. He has also earned a Bachelor of Science in Computer Science from the Lebanese American University in Lebanon, and is a Chartered Financial Analyst.

Mr Bazzi 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.

BOEY TAK KONG
Independent Non-Executive Director

Boey Tak Kong, a Malaysian, aged 57, 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 development company. He is a regular speaker for the Continuous Education Programme for the Malaysian Institute of Accountants, Association of Certified Accountants, the Chartered Institute of Management Accountants and the Institute of Internal Auditors Malaysia.

His directorships in listed public companies include Dutch Lady Milk Industries Berhad, IJM Land Berhad, Gadang Holdings Berhad, Century Software Holdings Berhad and Permaju Industries Berhad. He is also a director of Bunseng Holdings Berhad.

He is a Fellow member of the Chartered Association of 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.

A. SHUKOR BIN S.A KARIM

Independent Non-Executive Director

A. Shukor Bin S.A Karim, a Malaysian, aged 55, was appointed as the Independent Non-Executive Director of the Company on 21 May 2008. He is also a member of the Audit Committee, Nomination Committee and Board Tender 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 founder member of Sapura Information Technology (IT) and developed Sapura's IT business to be one of Malaysia's biggest IT company with more than 1,000 employees and revenues exceeding RM600 million 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 B Sc (Hons) in Computation from the University of Manchaster, 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 all the five (5) Board Meetings of the Company held during the financial year under review.

YEE CHEE WAI

Alternate Director to Mr Ong Ju Yan

Yee Chee Wai, a Malaysian, aged 46, was appointed as the Alternate Director to Mr Ong Ju Yan on 3 April 2008. He is a member of both the Malaysian Institute of Accountants as a Chartered Accountant and the Malaysian Institute of Certified Public Accountant as a Certified Public Accountant. He has been an investment banker with various investment banks in Malaysia from June 1991 to year 2007.

Upon graduation in 1984, he worked as an auditor with an international accounting firm based in Malaysia. He began his career in the investment banking industry with Affin Investment Bank Berhad and his last posting in the industry prior to 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 is the Executive Director/Chief Operating Officer of OSK Venture Equities Sdn Bhd since March 2008.

He is a director of OSK Ventures International Berhad, eBworx Berhad and mTouche Technology Berhad, all of which are listed on the ACE Market of Bursa Malaysia. He is also a director of Maxwell International Holdings, which is listed on the Main Market of Bursa Malaysia.

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.

Message From The CHAIRMAN

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 2010.

INDUSTRY OVERVIEW

On the home front in Malaysia, International Data Corporation (IDC) projects IT spending of US$6.5 billion, and telecommunication spending of US$7.3 billion in 2011, up 9% and 5.3% respectively from 2010. This projected strong growth is to be mainly driven by the government's continued efforts to raise broadband penetration level to accelerate Malaysia's development into an advanced economy. In this context, we applaud the success of the National Broadband Initiative in surpassing the country's household broadband penetration target of 50% by end 2010 to 55.6%. This indicates the country's capability of achieving the ambitious 75% target set for 2011.

The country's ICT-friendly 2011 budget is a clear reflection of the government's commitment to boost the ICT industry. Amongst the numerous measures introduced is the two-year extension on import tax and sales tax exemption on broadband equipment to spur purchase, which corroborates Business Monitor International's (BMI's) forecast that the computer hardware market will hit US$2.8 billion in 2011. The 2011 budget also stipulates the establishment of the MYCreative Content programme to encourage the build-up and demand for local content which would further spur ICT adoption.

We are excited about the mobile broadband segment which saw a 99% subscriber growth in 2010 from 2009. According to Frost & Sullivan ICT Practice Asia Pacific, this lucrative market projected to be worth US$9 billion by 2015 along with saturation in the mobile market will drive all mobile market players to look to mobile broadband for future growth. Hence, we expect the competition in this segment to intensify. The fixed broadband segment will continue to grow according to Frost & Sullivan, albeit at a slower pace to reach 2.2 million subscribers in 2015.

Around the world, broadband is identified as a crucial enabler of socio-economic progress. Operators, especially in emerging markets, are still favouring 4G WiMAX wireless broadband technology because it can deliver quick time-to-market and has available a robust ecosystem that will continue to drive cost down. The WiMAX Forum® announced that WiMAX service providers cover more than 823 million people as of end 2010 surpassing last year's forecast of 800 million people. This signifies that WiMAX is still on target to reach the forecast of over 1 billion people within WiMAX coverage by end 2011. For the next couple of years, before the ecosystem for LTE-advanced technology matures, we anticipate that the demand for WiMAX devices would continue to be strong.

The upsurge of mobile broadband deployments and adoption coupled with the increased accessibility of powerful mobile devices and connected applications are spurring consumers to quickly adopt mobile lifestyles. This global trend compels operators to deal with the issue of rising mobile data usage. According to Cisco VNI Global Mobile Data Traffic Forecast, mobile data traffic will see doubling year-on-year growth from 2009 to 2014 to reach 3.6 exabytes per month. In lieu of this data explosion, operators have a real need to optimize their access networks in the most cost

efficient manner and at the same time, ensure they can continue to deliver quality broadband services.

FINANCIAL PERFORMANCE

I am pleased to report that Green Packet Berhad's ("The Group's") revenue as at 31 December, increased by 81% year-on-year to a cumulative total of RM394 million. Total EBITDA losses for Full Year 2010 also decreased by 34% to RM78 million from Full Year 2009. EBITDA margin had improved substantially in 2010 with new customers secured for our Solutions business and increased subscribers for our 4G operator business, Packet One Networks (Malaysia) Sdn Bhd ("P1").

However, the Group recorded a net loss of RM209 million for the year mainly due to investment in P1's network, subscriber acquisition activities, and our focus to increase market share of the high growth but lower yielding nomadic broadband segment. The net loss was also partly attributed to a substantial one-off provision for impairment of certain past investments and assets amounting to RM54.9 million in Quarter 4, 2010 to fully consolidate Group business.

In 2010, we saw progressive improvements in both our business pillars with Solutions achieving a 2.7 times revenue growth compared to Full Year 2009; and the 4G network operator's subscriber base growing by 101% from 2009 with 134,000 subscribers added. P1 reached a cumulative total of 274,000 subscribers as at end 2010.

CORPORATE DEVELOPMENTS

The Group's developments in 2010 reflect our continuous efforts to sustain and expand market share in both the local and global markets in the face of fiercer competition and in view of the changing business environment.

SOLUTIONS

Solutions had over the past few years, demonstrated consistent growth in profits and global market share for software and device. In 2010, Solutions continued to make steady progress towards its firm goal to become a leading vendor to telcos worldwide.

Leading Technologies and Proven Quality Products

During 2010, Solutions inked numerous major deals which proved that its technologies and products could withstand the scrutiny of tier-1 global customers. For software solutions, these include the milestone contract secured with the second largest cable operator in the U.S.A, Time Warner Cable, which has 14.5 million customers across 28 states, to provide our popular Intouch Connection Management Platform (ICMP) solutions. The Time Warner Cable deal, which was inked in December and announced in January 2011, is significant for a couple of reasons. Firstly, the U.S.A is regarded as a highly impenetrable market with the stronghold of local and big name incumbent players; secondly, we believe that securing the Time Warner Cable deal would greatly enhance Green Packet's credibility with other tier-1 players in mature markets to potentially land Solutions more major deals.

In Asia where we have a leading position for connection management solutions, we secured a follow-on deal with PCCW, Hong Kong's leading and largest telco for the ICMP solution. Additionally, we managed to win Haier, the world's fourth largest white goods manufacturer, to supply Green Packet's Interact Collabright software solution, a Next Generation wireless networking platform developed alongside Intel in 2010.

As for the device business, I am proud to report that Solutions quickly built its reputation as a top 4G WiMAX device vendor since it ventured into this business in 2008. This rapid success was contributed by Green Packet's strong R&D capabilities and network of quality contract manufacturers, along with the extensive LIVE network 'know-how' gained from in-house 4G operator, P1. To date, Solutions had successfully engaged with 75% of the over 580 global WiMAX operators who are attracted to its extensive range of 4G WiMAX modems including indoor, outdoor and USB variants across the three frequency bands of 2.3, 2.5 and 3.5GHz.

The year's major wins for devices include Atheeb, the first and fastest growing 4G operator in the Kingdom of Saudi Arabia; Swift Networks, the exclusive 3.5GHz wireless spectrum license holder in Nigeria; Digicel, Jamaica of the Digicel Group which operates in 32 markets worldwide; and Augere which operates in Bangladesh and Pakistan with a combined population of over 200 million. Solutions would endeavour to grow alongside these promising 4G WiMAX operators as they expand their networks and subscriber base.

Recognised for 'Most Innovative Products in 2010'

I am happy to report that in 2010, Solutions received three 4G Wireless Evolution Product of the Year awards for its DX WiMAX Indoor VoIP Modem (DX); UH WiMAX USB High Gain Modem (UH); and its carrier-grade connection management solution, the Intouch Connection Management Platform. The award recognizes the most innovative products brought to market in 2010, and is granted to companies which have proven their commitment to quality and excellence while addressing real needs in the marketplace. It also recognizes companies that have demonstrated vision, leadership and thoroughness.

While the Group regards a growing clientele of major operators as solid proof of our leading technologies and products, we are honoured to receive this recognition by the international industry. This recognition will serve as further impetus for Solutions to continue developing highly innovative products across technologies to support upcoming market trends, most notably, extending its software and devices to the LTE space. LTE or Long Term Evolution is a cellular technology and 4G mobile broadband standard aimed to be the successor for the prevalent 3G standard.

^ Green Packet bags three 'Product of the Year' awards

String of Innovations in 2010

Green Packet is committed to building a robust ecosystem for 4G wireless technologies to spur rapid adoption across the value-chain and with the end-user. Toward this purpose and to raise our ability to serve global telcos, Green Packet introduced a string of innovations to expand its product range in 2010.

These new products not only delivered improved performance through numerous technological enhancements, they cater to specific needs across customer segments. These include the cost-effective EX series of high performance indoor VoIP WiMAX modems; the UT WiMAX USB modem that comes with interchangeable snap-on skins for personal style expression; and a Portable WiMAX-WiFi Router that enables the sharing of fast personal WiMAX broadband connection and instant networking of devices while on-the-go.

Specialist to Global Telcos

Solutions' frontline knowledge from in-house 4G operator, P1, is a unique and valuable competitive advantage which has enabled it to meet the exacting needs and standards of telcos worldwide. Its positioning as a one-stop software solutions and device provider has also proven advantageous as telcos appreciate dealing with just one reliable vendor. However, for us to provide greater value to our diverse clientele who are faced with increasingly intense competition and rapid industry changes, we needed a stronger and more compelling business strategy and model.

Hence, in 2010, Solutions developed and adopted a 'Specialist' strategy to offer the highest level of expertise for each of its software and device business streams. The implementation of the 'Specialist' strategy saw the addition of new talents with substantial experience in the respective fields of software and device. The new team-leads not only have a success track record in the markets that Solutions is targeting for expansion, namely the U.S.A, Central and Latin America and Europe; they also possess strong industry networks and are familiar with the approach of established vendors to generate more tier-1 wins for Solutions. As each specialist team is charged with ensuring a dynamic supply chain and improving operations for the respective stream, Solutions is expected to better meet and deliver the market's robust demand for more relevant products while raising the bar on quality service.

4G OPERATOR, P1

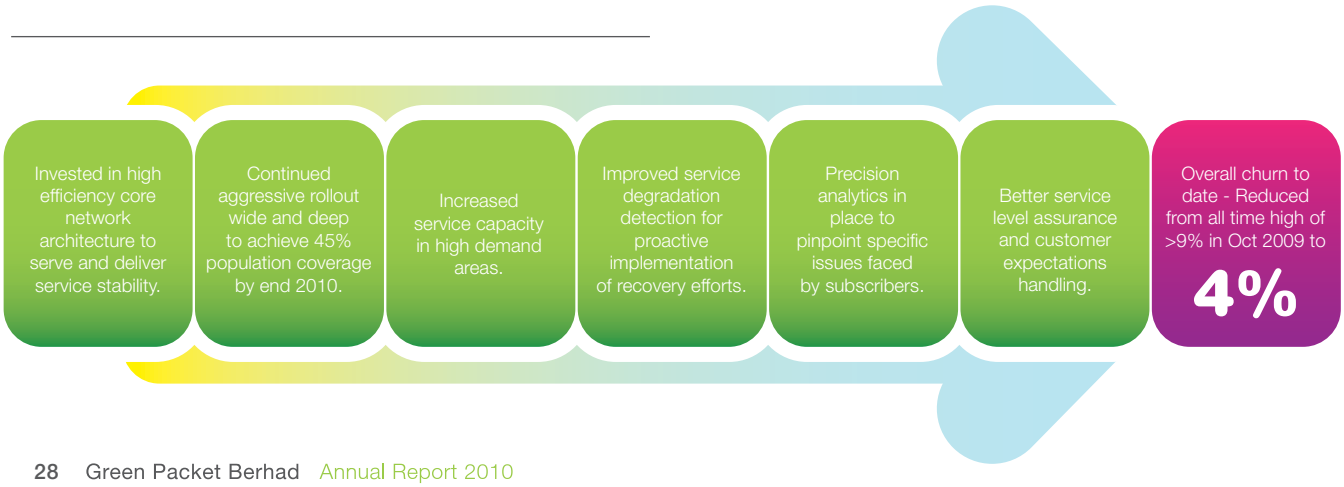
While P1 grew its subscriber base by a respectable 101% in 2010 from 2009, 56,000 or 41% of the 134,000 new subscribers were added in the final quarter of 2010. For the most part of the year, P1's main priority was to upgrade its network to ensure optimal performance and to enhance its end-to-end customer experience. This and other key corporate developments in 2010 could be summed up as 'P1 reinforcement' to enhance its competitiveness and future-proof the 4G operator business in light of intensifying competition.

Network Upgrade and E2E Customer Service Enhancements

As a pioneer in deploying 4G WiMAX, P1 takes the numerous challenges it faces in stride and constantly re-applies its experience and learning to bring on further improvements. One of its most testing challenges proved to be its biggest catalyst to dramatically improve the P1 user experience.

It is no secret that following the phenomenal 'Cut Already?' advertising and promotion campaign in 2009 coupled with an unexpected delay in a scheduled network upgrade by a 3rd-party rendered P1 incapable of providing satisfactory service to a portion of its subscriber base. At its most dire state, P1's churn rate spiked to a high 9% calling for a reprioritization of customer satisfaction over subscriber acquisition. Hence, for the first three quarters of 2010, investments were redirected towards the upgrading of P1's network with focus on network depth and quality. The end-goal was to provide a consistently high level of service and customer satisfaction, and to achieve a robust network that can withstand future subscriber surges.

P1's commitment to deliver best-in-class network performance via the major initiatives detailed in the illustration below had successfully decreased churn rate from 9% in October 2009 to maintain at around 4% since Quarter 3, 2010. Ensuring that P1's network is at its optimum would continue to be a big part of P1's competitor strategy to improve customer satisfaction, acquisition and retention, and to make our proposition and delivery more difficult to match.



SK Telecom - The Most Strategic of Partnerships

Even as P1 made steady progress and continued to improve, intensifying competition requires for P1 to up its ante more rapidly. This led to the pursuit of a strategic alliance that can meet P1's funding requirements and more importantly, deliver the highest strategic value to quickly reinforce its capability to offer a best-in-class 4G network and customer satisfaction. On June 29, 2010, P1 was indeed successful in forging a strategic alliance with SK Telecom, the leading and largest mobile service provider in Korea, to help P1 realise its strategic goals. SK Telecom has operated for close to three decades and is the market leader with more than 50% of the Korean market share. It has an impressive 25 million subscribers on its large-scale network.

SK Telecom acquired a 25.8 percent stake in P1 for a cash consideration of the Malaysian Ringgit equivalent of US$100 million to become its second largest shareholder after Green Packet Berhad. Through the strategic alliance, P1 would be able to access SK Telecom's substantial technology and network expertise as well as its customer products portfolio. P1 would also have access to SK Telecom's network and operational management experience and its global procurement resources allowing it to further enhance its operational and financial performance. SK Telecom on the other hand, hopes to leverage on P1 to gain access to other 4G wireless broadband opportunities in Southeast Asia and other emerging markets to support its international expansion plans.

I am pleased to report that to date, SK Telecom has shown strong commitment to the P1 business with direct involvement in network performance and operations that has made significant improvements in the way P1 operates its business.

WiMAX-enabled laptop launch

Another significant development not just for P1 but for the adoption of 4G wireless broadband in Malaysia, is P1's launch of Malaysia's first WiMAX-ready 4G laptops in collaboration with Intel and six PC manufacturers; namely Acer, ASUS, Dell, Lenovo, MSi and Toshiba.

Built-in WiMAX notebooks and netbooks deliver true mobile connectivity and flexibility and will enable the mass market adoption of WiMAX in the country. We believe that the simplicity and convenience of connecting to the Internet via WiMAX without the need of additional devices as long as users subscribe to a WiMAX service plan will drive demand. To encourage these users to choose the P1 service plan, all WiMAX-ready laptops come with six months free service compliments of P1; afterwhich they can sign on with a special rate.

Winning Customer Confidence – P1 is Stronger, Wider, and Faster!

Following the laborious efforts at the back-end to build a better 4G network and service, P1 launched a confidence-boosting campaign towards the end of Q3, 2010 themed, "Getting Stronger, Wider and Faster by the day." The campaign features the super broadband kids which points to P1's youthful, curious, inventive and resilient spirit. In essence, the campaign communicates P1's network readiness to give its subscribers a satisfying 4G broadband experience and cements our commitment to continue growing stronger, wider and faster every single day. This commitment extends beyond P1's network design to creating better service delivery and the highest value subscription packages.

Concurrently, P1 launched its 'Super Broadband' subscription packages with 'Super Quota.' The promotion gave fixed broadband subscribers the benefit of having mobile broadband for a nominal incremental cost; and further allowed the sharing of existing monthly usage quota between their fixed and on-the-go devices.

The advertising campaign rolled out across all mediums including TV, radio, print, online and on-ground. While its predecessor 'Cut already?' successfully brought in 43,000 subscribers in the fourth quarter of 2009 and won the Effie, a prestigious local award for most effective marketing campaign; 'Stronger, Wider, Faster' delivered an unprecedented 56,000 new subscribers in Q4, 2010 – this is the highest in a single quarter in P1's history in spite of a new player launching 4G WiMAX service during that time.

Management of P1 has no qualms donning the Super Broadband outfits during the launch of the Stronger, Wider, Faster campaign, From Left: P1 Chief Operating Officer, Idham Nawawi, P1 Chief Executive Officer, Michael Lai, and P1 Chief Strategy Officer cum Deputy CEO, Dr Ahn Hoekyun

Stronger Proposition of Best Value Wireless Option for Serious Broadband

It also became clear to the Management team that P1 has a strong proposition for broadband users who enjoy rich media content because of its network depth and improved performance. P1 customers have always been rich media hungry as our customer usage reports show. A typical P1 subscriber downloads an average of 10GB per month which is equivalent to 20 movies or 2500 songs. Our deep first then wide coverage is perfectly suited to serve high usage subscribers who are also getting the best value from P1 in terms of cost per byte amongst competitors. P1 hopes to continue meeting its subscribers' expectation as the best value wireless option for rich media broadband at home and on-the-go.

New Service Name of P1 4G

P1 also changed its service name from P1 W1MAX to P1 4G in 2010 to better represent its leading position in the 4G broadband space in Malaysia. While there have been rampant debate in the past as to whether WiMAX 802.16e (currently being deployed by P1 and other WiMAX licensees in Malaysia) constitutes as a 4G technology, we are pleased to inform that the International Telecommunication Union (ITU), the specialised agency for the United Nations responsible for global information communications and technologies, has in 2010, officially recognised WiMAX as a 4G technology which the ITU previously reserved for LTE-advanced (TD-LTE) and WiMAX 2 (802.16m).

New Service Name of P1 4G continued

The change in service name is also made with the consideration that P1 as a service provider is technology neutral and would provide our users with the best connectivity using the best 4G technology available.

Additional - TD-LTE Spectrum License

P1 had in June 2010 received a letter from the authority stating that a 20MHz block of 2.6GHz spectrum would be made available to P1 and eight other operators. The letter affirmed the government's commitment to improve 4G wireless services in the country. The additional 4G spectrum, which will be available for use starting 2013, will support P1's evolution path to become a full-fledged 4G operator with full mobility play.

As a WiMAX-based service provider, we believe that P1 has wider and lower cost options available to it in terms of network evolution to LTE-advanced as both WiMAX and LTE share the same back-end infrastructure. This we believe, would give P1 both short and long term commercial advantage. Nonetheless, we expect that TD-LTE will show maturity and become commercially more attractive to end users starting 2013, and if a customer wants high speed wireless broadband now and for the next two years, there is only WiMAX. With a WiMAX mobility network in place to address the market, P1 would also have greater flexibility should TD-LTE be delayed.

Future growth

The Group's overall strategy to be a fully integrated 4G broadband business encompassing software, devices and networks remains consistent. So is the strategy for P1 to be a converged 4G operator with full mobility play starting on fixed, followed by nomadic and mobile broadband.

For Solutions in 2011, we are optimistic about its capability to grow the higher yielding North American and European markets for software. We see that operators in mature markets are pulling back on investments into infrastructure, and believe that 'Solutions' offers a compelling alternative to costly network investments to address their main challenges of explosive data traffic and provision of an enhanced mobile broadband experience.

Solutions continue to target a top three position worldwide for our WiMAX devices, which is still showing positive momentum being the most matured 4G technology with a ready ecosystem. At this early stage of LTE deployments globally, Solutions' products are already LTE compliant or transitioning to be. We believe that the strong support from legacy 3G telcos for the LTE standard would ensure the technology's rapid development and adoption. Hence, Solutions would be initiating R&D on LTE products in this year with the target to have a comprehensive portfolio by 2013 to serve the impending growth and demand for LTE devices and also software.

Aside from ramping up innovation through robust R&D, we will pursue continuous improvement in Solutions' operations and process flow to shorten delivery time and better meet customer demands. We anticipate all of these efforts to further improve the pillar's volumes, revenues and margins.

The Group's 4G operator, P1, is operating in a dynamic environment and increasingly competitive landscape which warrants its gearing up to address challenges as they arise. For the year ahead, the major shareholders had made the decision to prioritise strategic customer acquisition over short-term profitability. This strategic decision is made with clear reference to the opportunities available at this time to take full advantage of P1's ability to maximise market share especially in the high growth nomadic segment.

The nomadic broadband segment in Malaysia grew 99% from 2009 to 2010. According to a research report by telecoms adviser, Analysys Mason, Malaysia will see continuing high growth with expected compounded annual growth rate (CAGR) of 28% from 2011 to 2013, and CAGR of 8% from 2013 to 2017. This indicates that the growth rate for the nomadic broadband segment will peak over these two years hastening P1's entry if it wants to ride on this rapid growth market.

P1's nomadic subscribers consist of 24% as at end 2010, which is a four-fold growth from 2009. We believe it would be able to continue expanding market share for this segment on the back of a more robust network and wider coverage; and armed with its unique proposition of '4G speed that can support rich media content for both home and on-the-go.' Consequently, we would continue to invest to expand and improve P1's network, execute aggressive subscriber acquisition activities, and suitably adapt P1's packages and pricing to grow its share of nomadic broadband subscribers. We also expect some short term erosion of P1's Average Revenue Per User (ARPU) with the lower price point for the nomadic segment, but would put in place strategies to ensure a strong ARPU against the industry over the long term.

P1's strategic decision to accelerate subscriber acquisition efforts with a specific focus on the nomadic segment is also a defensive strategy against the next major change to the competitive landscape, which is the mobile telcos deployment of 4G networks utilizing the 2.6GHz LTE-TDD spectrum also allocated to them. P1's goal is to have a critical mass of subscribers before that time, anticipated to be in 2013 when the spectrum is available for use.

The majority shareholders believe that this decision is in the best interest of the business and shareholders over the long-term, however, we fully acknowledge that the minority shareholders may be disappointed with the deferment of the Group's EBITDA breakeven target from the first half to the end of 2011 as a result of this new strategic thrust.

P1 is targeting to achive 450,000 subscribers bolstered by the country's continuing strong push for broadband in 2011. Over the long-term, P1 have both subscriber acquisition and technology strategies prepared to ensure that we continue to grow the business opportunity and manage future challenges.

APPRECIATION

On behalf of the Board of Green Packet Berhad, I would like to first thank the Management and Group employees for their strong commitment to help build the business. Together, we would continue to learn and improve, and to pool our knowledge and expertise to build a world-class team.

To the Malaysian government, thank you for your steadfastness in growing the ICT industry and for making broadband one of the country's key agenda. I would also like to extend our deep appreciation for being entrusted to make the best and most efficient use of both the 2.3GHz and 2.6GHz spectrums. With additional spectrum depth, we believe P1 can build the best 4G network and deliver a new wave of differentiated services to benefit the Malaysian people.

We are grateful for the continued support and confidence of our shareholders throughout our business evolution. Thank you for believing in us. We will persevere to deliver long-term profitability and shareholder returns.

On behalf of the Board and Management, I would like to convey our special appreciation to Mr Yousuf Mohamed Yaqub Khayat, who had resigned from the Board in January 2011 where he was serving as Non-Independent Non-Executive Director. Thank you for your strong contributions all throughout the Group's rapid business transformation period. We wish you every success with all of your future undertakings. We would also like to congratulate and welcome Mr Rami Bazzi on his appointment to the Board as Non-Independent and Non-Executive Director, whose strong credentials, we believe, would be of immense value to the Board and Group business.

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman
Chairman and Independent Non-Executive Director
2 June 2011

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 board's and 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 4G Operator business strategy;
- the costs and business risks associated with deploying a 4G network and offering products and services utilizing 4G 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.

The Board believes that good corporate governance practices are pivotal to enhancing shareholders' value. Hence, the Board is fully dedicated to continuously evaluate GPB Group ("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.

BOARD OF DIRECTORS

1. The Board

The Group is driven by an effective Board ("the 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 established four (4) Board Committees to which it has delegated certain of its responsibilities. They are Audit Committee, Nomination Committee, Remuneration Committee and Board Tender Committee. All Board Committees have their roles/functions, written terms of reference, operating procedures and authorities clearly defined. The Board reviews the Board Committees' authority and terms of reference from time to time.

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 ("Bursa Securities"). 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 independent views, advice and judgment.

The members of the Board are as follows:

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

Puan Chan Cheong
Group Managing Director / Chief Executive Officer

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

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

Ong Ju Yan
Non-Independent Non-Executive Director

BOARD OF DIRECTORS continued

2. Composition and Balance continued

Rami Razzi
Non-Independent Non-Executive Director

Boey Tak Kong
Independent Non-Executive Director

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

Yee Chee Wai
(Alternate Director to Ong Ju Yan)

The details of the Directors' profile and their respective memberships, please refer to pages 22 to 25 of this Annual Report.

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.

3. 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 2010. 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
Puan Chan Cheong	Executive Director	5/5
Nik Mat Bin Ismail	Executive Director	4/5
Tan Sri Dato' Kok Onn	Non-Executive Director	5/5
Ong Ju Yan	Non-Executive Director	4/5
Boey Tak Kong	Independent Non-Executive Director	5/5
A. Shukor Bin S.A Karim	Independent Non-Executive Director	5/5
Yousuf Mohamed Yaqub Khayat (resigned on 12.1.2011)	Non-Executive Director	5/5

4. Directors' Training

All the Directors had attended and successfully completed the Mandatory Accreditation Programme as prescribed by Bursa Securities.

The Group acknowledges that continuous education is vital for the Board to discharge its responsibilities effectively. The Directors are encouraged to attend appropriate external trainings and where applicable to the Company.

Directors who were unable to attend any formal training during the financial year, are well-informed of the latest developments on the various relevant rules and regulations as all Directors were updated by the Management, by providing them with reading materials on such new developments.

BOARD OF DIRECTORS continued

4. Directors' Training continued

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

Name of Director	Details of Programme
Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman	• Seminars on The Spirit Of The Code of Corporate Governance and Corporate Responsibility & Meeting The Needs Of Investors: Increasing Transparency, Accountability
	• Innovation - Tools & Techniques For Sustainable Growth
	• Kuala Lumpur Innovation Forum (KLIF) Innovation And Creativity For Development: Towards An Innovative Society & A High Income Advanced Economy
	• SMP Management Course For Scientists From OIC Countries - SMP Challenges from UMMAH
	• Kedah Governments' Conference On Human Capital Development
Puan Chan Cheong	• 4G World Forum
Tan Sri Dato' Kok Onn	• Improving The Budget Process for Effective High Performance
	• Strategizing the Plantation Division for Operational Excellence
Ong Ju Yan	• OSK Government Transformation Programme Briefing
	• Regional Research & IE Conference 2010
Boey Tak Kong	• FRS 139 Forum
	• Public Forum On MASB ED 69 Financial Instruments & IASB ED/2009/12 Financial Instruments: Amortised Cost & Impairment
	• Enhancing Protection For Directors & Officers In An Escalating Risk Environment
	• Corporate Responsibility Practices In The Context Of The Marketplace
	• Audit Committee Institute Roundtable Discussion - Going Forward: Risk & Reform
	• Personal Investment Strategies - Be A Winner
	• Corporate Governance: Steering Capital Market Towards Financial Reporting Excellence
	• Corporate Governance: Corporate Governance, Professionalism and Accountants: How To Enhance The Synergy?
	• 2010 Corporate Fraud Conference: Managing Fraud Risk
	• Talent In 2010: The Foundations For Growth
	• Challenges Of Implementing Corporate Governance: A Contrarian View
	• Director's Continuing Education Programme: a. Malaysian Competition Act 2010 b. Managing Risk Across The Enterprise - The Art Of War c. Updates On Listing Requirements & Recent Shareholders' Issues d. Social Media & Impact On Business
	• Corporate Governance Symposium
A. Shukor Bin S.A Karim	• Roles of Independent Director

BOARD OF DIRECTORS continued

5. Director's Remuneration

The aggregate Directors' remuneration paid or payable to all Directors of the Company is categorized into appropriate components for the financial year ended 31 December 2010 are as follows:-

Total Remuneration	Executive RM	Non-Executive RM	Total RM
Fees	-	236,250	236,250
Salaries	845,500	-	845,500
Other emoluments (including bonus, allowances)	62,000	25,000	87,000
Total	907,500	261,250	1,168,750

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
RM 50,001 - RM100,000	-	2	2
RM 300,001 - RM 350,000	1	-	1
RM 600,001 - RM 650,000	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.

6. 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.

BOARD COMMITTEES

1. Audit Committee

The Board's obligation to establish formal and transparent arrangements in considering how it should apply financial reporting and internal control principles, and maintaining an appropriate relationship with the Company's external auditors, Crowe Horwath is met through the Audit Committee ("AC").

All members of the AC are Non-Executive Directors and Mr Boey Tak Kong fulfils the financial expertise requisite of the Listing Requirements.

BOARD COMMITTEES continued

1. Audit Committee continued

The members of the AC are as follows:

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*

Details on function, composition, membership and summary of the activities of the Audit Committee during the year are set out in the Audit Committee Report on pages 38 to 41 of this Annual Report.

2. Nomination Committee

The Nomination Committee ("NC") is responsible for proposing candidates for directorship and assessing the directors on an on-going basis. In addition, NC assesses the contribution of individual Board members, the effectiveness of the Board and the Board Committees.

The 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*

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

The duties and responsibilities are spelt out in the Terms of Reference of the Nomination Committee.

The Company's Articles of Association provides that Directors who are appointed during the year shall retire from office and be subject to re-election by shareholders at the annual general meeting. At every annual general meeting, 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. In addition, a Director who attains the age over 70 retires at every annual general meeting pursuant to the Companies Act, 1965.

3. Remuneration Committee

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.

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 members of the RC are as follows:

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 directors.

The duties and responsibilities are spelt out in the Terms of Reference of the Remuneration Committee.

BOARD COMMITTEES continued

4. 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 as follows:

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 three (3) 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.

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
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*	5/5

Details of the members of the Committee are contained in the "Directors' Profile" as set out on pages 22 to 25 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 Audit Committee. The Audit Committee Chairman, Mr Boey Tak Kong is a Chartered Accountant of the Malaysian Institute of Accountants.

   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.

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.

TERMS OF REFERENCE continued

4. Meetings continued

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 attend 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.

(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.

TERMS OF REFERENCE continued

6. Duties continued

(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
- to ensure that the Directors report such transactions annually to shareholders via the annual report
- 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 2010;
(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, and not detriment to minority shareholders;
(e) Reviewed with the internal auditors on the internal audit findings and issues arising from their internal audit review and the management recommendations;
(f) Met the external auditors on two private sessions without the presence of executive directors and management; and
(g) Verified the allocation of Employees' Share Option Scheme ("ESOS") options are in compliance with the established and approved ESOS by-laws.

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

During the year ended 31 December 2010, the Company had granted 11,611,800 new share options pursuant to the fourth allocation under the ESOS to eligible employees and directors of the Company and its subsidiaries at an exercise price of RM1.10.

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 that are entitled to participate in the ESOS, were in accordance with the criteria and basis of allocation set by the Option Committee and in accordance with the approved ESOS by-laws.

During the financial year, there were no new options granted to the Non-Executive Directors pursuant to the ESOS.

INTERNAL AUDIT FUNCTION

The Group's internal audit functions are outsourced to an independent professional firm, KPMG Business Advisory Sdn. Bhd. ("KPMG") which reports to the Committee in monitoring risks and reviewing the soundness of the internal control framework. 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 control, 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 control 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 internal controls are effective.
- 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 on a Group basis. The Bursa Securities' statement on internal control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance on disclosure of the Group's risk management activities and internal control systems.

The Board of Directors of Green Packet Berhad is pleased to present the Statement on Internal Control, which has been prepared largely 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 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 maintains a 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.

4. Internal Audit Function

KPMG 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, KPMG appraises and contributes towards improving the Group's risk management and control systems and reports to the Audit Committee. 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 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 KPMG's function covered the audit and review of governance, risk management, compliance, operational and financial control across all business units.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2010 was RM44,000.

5. Key Process

The Group's key internal control processes based on COSO principles benchmarking are as follows:

Control Environment

- Management provides strategic leadership with proper delegation, aligned to business and operations requirements in order to achieve the Group's missions.
- A clear and detailed organisation structure has been established to focus on the related reporting responsibilities and accountabilities to ensure and clarify task ownership.

5. Key Process continued

Control Environment continued

- The Board had delegated authority levels with limits for various business transactions to the senior management team duly documented, to facilitate effective internal control over expenditure commitment.
- The Group has in place a Whistle Blower Policy, which forms part of the Code of Ethics, to provide an avenue for employees to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines in a safe and confidential environment.
- A Code of Ethics & Conduct is established for all employees which defines the ethical standards and conduct of work required at the Company and Group levels. New employees undergo a structured three days orientation programmes organised by the Human Capital Department, where they are briefed on the Group's culture, organization structure, codes of ethics & conducts and employees' benefits.

Risk Assessment

- 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 reviews and updates its standing operating procedures to ensure consistency, clarity and accountability in the Group's daily operations.
- The Group has in placed a dedicated billing and customer care service to manage the billing and collection functions efficiently for its subsidiaries.

Information And Communication

- Employees are briefed on their job descriptions, responsibilities and KPI 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 widely used are 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 corrective actions implementated.

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 provides reasonable assurance in managing business risks rather than eliminating them and there is no absolute assurance against material misstatement or loss.

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report for the year ended 31 December 2010 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 of the Group.

This statement was made in accordance with a resolution of the Board dated 19 April 2011.

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 2010.

In preparing the financial statements for the year ended 31 December 2010, 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 Company did not implement any fund raising exercise during the financial year.

2. Share Buy-backs

The Company did not make any share buy-back arrangement during the financial year. To-date, the Company has 4,707,700 treasury shares.

3. Options, Warrants or Convertible Securities

Warrants 2009/2014

The Company had on 28 September 2009 issued 197,613,775 warrants. Each warrants entitles the warrant holder to subscribe for one new ordinary shares of RM0.20 each in the Company at an exercise price of RM0.95 per ordinary share.

The period of the warrants is 5 years from the date of issuance and is expiring on 27 September 2014. The warrants are constituted by a Deed Poll dated 17 August 2009. None of the Warrants were 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. On 17 February 2011, the Board of Directors approved the extension of the duration of the existing ESOS which is expiring on 8 August 2011 for a further 5 years to 8 August 2016. The ESOS is governed by the By-Laws which were approved by the shareholders on 30 March 2006.

On 1 March 2010, a fourth allocation of ESOS comprising 11,611,800 options over new ordinary shares of RM0.20 each at an exercise price of RM1.10 per share was granted to eligible employees and directors of the Company and its subsidiaries.

During the financial year, the Company had issued 449,361 new ordinary shares of RM0.20 each for cash pursuant to the Company's ESOS at the issue price of RM0.80 per share and all the new ordinary shares issued rank pari passu in all respects with the existing issued and paid-up capital of the Company; and

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

Date of Offer	Exercise Price	Adjusted Exercise Price after Rights Issue	As at 1.1.2010 '000	Granted '000	Lapsed Due to Staff Resignations '000	Exercised during the year '000	As at 31.12.2010 '000
8.8.2006	RM4.48	RM4.22	7,597	-	457	-	7,140
28.3.2008	RM2.09	RM1.97	8,673	-	1,221	-	7,452
29.1.2009	RM0.85	RM0.80	8,486	-	836	449	7,201
1.3.2010	RM1.10	-	-	11,612	1,529	-	10,083

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 Fee

Non-audit fee amounting RM16,390 was paid to external auditors of the Group during the year.

7. Variation in results

There was no significant variance in the Company's audited financial results for the financial year ended 31 December 2010 and the unaudited results previously announced for the financial quarter ended 31 December 2010.

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 entered into by the Company and its subsidiary companies involving Directors and major shareholders' interests, either still subsisting at the end of the financial year end or entered into since end of the previous financial year end.

11. Recurrent Related Party Transaction of a Revenue Nature

There was no recurrent related party transaction of a revenue nature which requires shareholders' mandate during the year.

Financial Statements

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 2010.

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 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Loss after taxation for the financial year	(225,563)	(55,321)
Attributable to:-		
Owners of the Company	(143,397)	(55,321)
Minority Interests	(82,166)	-
	(225,563)	(55,321)

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) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid-up capital from RM131,460,786 to RM131,550,658 by the issuance of 449,361 new ordinary shares of RM0.20 each for cash pursuant to the Company's Employees' Share Option Scheme at an exercise price of RM0.80 per ordinary share. All the new ordinary shares issued 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.

TREASURY SHARES

There were no purchases of any ordinary shares from the open market during the financial year. As at 31 December 2010, the total number of shares purchased preceding the financial year and held as treasury shares was 4,707,700 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 20 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 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

(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 1.1.2010	Issued	Exercised	At 31.12.2010
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 17 February 2011, the Board of Directors approved the extension of the duration of the existing ESOS which is expired on 8 August 2011 for a further five (5) years to 8 August 2016.

On 1 March 2010, a fourth allocation of ESOS comprising options over 11,611,800 new ordinary shares of RM0.20 each with an exercise price of RM1.10 per share was granted.

During the year, the outstanding options 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
Issued on 1 March 2010	RM1.10	RM1.10

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") continued

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	At Exercise Price of RM1.10 Each '000
As at 1 January 2010	7,597	8,673	8,486	-
Granted during the financial year	-	-	-	11,612
Cancellation due to staff resignations	(457)	(1,221)	(836)	(1,529)
Exercised during the financial year	-	-	(449)	-
As at 31 December 2010	7,140	7,452	7,201	10,083

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 637,658 options during the financial year in the annual report. Eligible employees who were granted options under the ESOS are as follows:-

	Number Of Options Over Ordinary Shares of RM0.20 each			
	At 1.1.2010	Granted	Exercised	At 31.12.2010
Puan Chan Cheong	2,425,530	641,020	-	3,066,550
Tan Kay Yen	1,311,796	510,000	-	1,821,796
Lai Chin Tak	1,176,885	450,000	(88,000)	1,538,885
Kelvin Lee Tsuan Chin	729,898	316,100	(54,668)	991,330
Liew Kok Seong	487,977	308,000	-	795,977
Nik Mat Ismail	725,075	64,800	-	789,875
Wang Chang-Hsien	614,506	164,800	-	779,306
Ti Lian Seng	457,090	220,000	-	677,090
Dan Dan Huang	569,153	114,800	(34,000)	649,953
Kan Tze Chun	471,558	166,100	-	637,658

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. Upon the expiry of the ESOS, the Board of Directors shall have the discretion, without approvals of the Company's shareholders, to extend the duration of the ESOS provided that such extension shall not in aggregate exceed the duration of 10 years.

(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") continued

(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 impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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 impairment losses on receivables 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 are disclosed in Note 42 to the financial statements. At the date of this report, there does not exist:-

(a) 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

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

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
BOEY TAK KONG
YOUSUF MOHAMED YAQUB KHAYAT *(Resigned on 12.01.2011)*
RAMI BAZZI *(APPOINTED 16.02.2011)*
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 1.1.2010	Bought/ Allotted	Sold	At 31.12.2010
THE COMPANY				
DIRECT INTERESTS				
Puan Chan Cheong	3,425,295	-	-	3,425,295
Nik Mat Bin Ismail	1,160,362	-	40,000	1,120,362
Boey Tak Kong	550,000	126,000	-	676,000
INDIRECT INTERESTS				
Puan Chan Cheong #	223,608,339	270,000	-	223,878,339
Tan Sri Dato' Kok Onn #	223,608,339	270,000	-	223,878,339
Ong Ju Yan *	125,000	-	125,000	-

	Number of Warrants 2009/2014			
	At 1.1.2010	Bought/ Allotted	Sold	At 31.12.2010
THE COMPANY				
DIRECT INTERESTS				
Puan Chan Cheong	1,241,765	-	-	1,241,765
Nik Mat Bin Ismail	146,787	-	-	146,787
INDIRECT INTERESTS				
Puan Chan Cheong #	43,844,722	-	43,844,722	-
Tan Sri Dato' Kok Onn #	43,844,722	-	43,844,722	-
Ong Ju Yan *	203,700	-	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 1.1.2010	Granted	Exercised	At 31.12.2010
THE COMPANY				
PUAN CHAN CHEONG	2,425,530	641,000	-	3,066,530
NIK MAT BIN ISMAIL	725,075	64,800	-	789,875
TAN SRI DATO' KOK ONN	157,875	-	-	157,875
TAN SRI DATUK DR. HAJI OMAR BIN ABDUL RAHMAN	132,041	-	-	132,041
BOEY TAK KONG	106,207	-	-	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 38 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company 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 other than the options granted to certain directors pursuant to the ESOS of the Company.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 44 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 45 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 19 APRIL 2011

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 58 to 127 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 2010 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 48, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed In Accordance With A Resolution Of The Directors
Dated 19 April 2011

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 58 to 127 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 2011

Liew Kok Seong

Before me
Datin Hajah Raihela Wanchik (No: W-275)

Independent Auditors' Report

To The Members Of GREEN PACKET BERHAD

(Incorporated in Malaysia) Company No : 534942 – H

Report on the Financial Statements

We have audited the financial statements of Green Packet Berhad, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 58 to 127.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 of financial statements that give a true and fair view 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 2010 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 the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements;

(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.

Report on Other Legal and Regulatory Requirements continued

The supplementary information set out in Note 48 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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: 2760/06/12 (J)
Chartered Accountant

19 April 2011

Kuala Lumpur

Statements Of Financial Position

At 31 December 2010

	Note	The Group 2010 RM'000	The Group Restated 2009 RM'000	The Group Restated 2008 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
ASSETS						
Non-Current Assets						
Investments in subsidiaries	5	-	-	-	68,019	75,860
Investment in associates	6	-	18,785	33,161	-	20,108
Property, plant and equipment	7	504,990	474,667	194,760	5,131	6,819
Prepaid land lease payments	8	-	-	-	-	-
Other investments	9	135	9,263	18,763	425,150	320,591
Goodwill	10	18,811	23,141	12,786	-	-
Development costs	11	44,907	60,790	47,348	17,869	15,282
Intangible assets	12	69,033	39,951	15,106	7,220	9,500
Amount owing by subsidiaries	16	-	-	-	141,000	50,000
		637,876	626,597	321,924	664,389	498,160
Current Assets						
Inventories	13	21,779	35,732	17,938	12,207	24,463
Trade receivables	14	60,513	42,840	31,082	12,171	7,277
Other receivables, deposits and prepayments	15	60,959	117,431	28,260	7,086	73,463
Amount owing by subsidiaries	16	-	-	-	70,667	125,807
Tax refundable		162	561	1,853	-	140
Deposits with licensed banks	17	72,368	2,792	59,934	1,159	1,133
Cash and bank balances	18	98,452	144,363	221,290	82,967	119,611
		314,233	343,719	360,357	186,257	351,894
TOTAL ASSETS		952,109	970,316	682,281	850,646	850,054
EQUITY AND LIABILITIES						
Equity						
Share capital	19	131,551	131,461	79,987	131,551	131,461
Treasury shares	20	(11,389)	(11,389)	(11,388)	(11,389)	(11,389)
Reserves	21	134,809	275,447	343,818	485,260	463,466
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		254,971	395,519	412,417	605,422	583,538
MINORITY INTERESTS		44,359	5,307	11,952	-	-
TOTAL EQUITY		299,330	400,826	424,369	605,422	583,538
NON-CURRENT LIABILITIES						
GCEB	22	50,000	50,000	50,000	50,000	50,000
Hire purchase payables	23	2,217	8,952	4,172	360	441
Borrowings	24	271,607	162,998	136,653	9,982	15,554
Other payables and accruals	27	46,112	91,089	-	-	-
Deferred taxation	25	43,244	2,499	2,418	24	-
		413,180	315,538	193,243	60,366	65,995

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

Statements Of Financial Position

At 31 December 2010

continued

	Note	The Group 2010 RM'000	The Group Restated 2009 RM'000	Restated 2008 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
CURRENT LIABILITIES						
Trade payables	26	39,763	67,951	10,869	18,890	22,287
Other payables and accruals	27	133,240	147,470	47,993	10,025	7,417
Amount owing to subsidiaries	16	-	-	-	140,203	147,068
Amount owing to a related company	28	-	-	-	-	14,287
Hire purchase payables	23	5,790	6,012	3,021	298	198
Borrowings	24	60,806	32,519	2,786	15,442	9,264
		239,599	253,952	64,669	184,858	200,521
TOTAL LIABILITIES		652,779	569,490	257,912	245,224	266,516
TOTAL EQUITY AND LIABILITIES		952,109	970,316	682,281	850,646	850,054
NET ASSETS PER SHARE (SEN)	29	40	61	104		

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

Statements Of Comprehensive Income

For The Financial Year Ended 31 December 2010

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
REVENUE	30	393,968	217,815	124,451	47,938
COST OF SALES		(216,482)	(137,593)	(89,661)	(31,439)
GROSS PROFIT		177,486	80,222	34,790	16,499
OTHER INCOME		1,348	3,160	8,598	9,241
		178,834	83,382	43,388	25,740
ADMINISTRATIVE EXPENSES		(32,655)	(63,720)	(32,684)	(19,620)
SELLING AND DISTRIBUTION EXPENSES		(62,762)	(105,344)	(2,350)	-
OTHER EXPENSES		(275,361)	(88,561)	(56,227)	(37,094)
SHARE OF RESULTS IN ASSOCIATE		(17,907)	(669)	-	-
FINANCE COSTS		(16,020)	(10,050)	(7,374)	(9,754)
LOSS BEFORE TAXATION	31	(225,871)	(184,962)	(55,247)	(40,728)
INCOME TAX EXPENSE	32	308	(2,448)	(74)	(2,383)
LOSS AFTER TAXATION		(225,563)	(187,410)	(55,321)	(43,111)
OTHER COMPREHENSIVE EXPENSE, NET OF TAX					
- Foreign currency translation		(372)	(850)	(16)	(31)
- Fair value adjustment		-	-	74,000	-
		(372)	(850)	73,984	(31)
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE FINANCIAL YEAR		(225,935)	(188,260)	18,663	(43,142)
LOSS AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(143,397)	(182,645)	(55,321)	(43,111)
Minority interests		(82,166)	(4,765)	-	-
		(225,563)	(187,410)	(55,321)	(43,111)
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:-					
Owners of the Company		(143,769)	(183,495)	18,663	(43,142)
Minority interests		(82,166)	(4,765)	-	-
		(225,935)	(188,260)	18,663	(43,142)
LOSS PER SHARE (SEN)					
- Basic	33	(22)	(40)		
- Diluted	33	Not applicable	Not applicable		

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

Statements Of Changes In Equity

For The Financial Year Ended 31 December 2010

		Non-distributable						Distributable			
THE GROUP	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Employee Share-Option Reserve RM'000	Warrant Reserve RM'000	Retained Profits/ Accumulated Losses RM'000	Attributable to Owners Of The Company RM'000	Minority Interests RM'000	Total Equity RM'000
Balance at 1.1.2009		79,987	(11,388)	292,274	1,269	7,336	-	42,939	412,417	11,952	424,369
Total comprehensive expense		-	-	-	(850)	-	-	(182,645)	(183,495)	(4,765)	(188,260)
Issuance of ordinary shares pursuant to Rights Issue	19	39,523	-	-	-	-	59,284	-	98,807	-	98,807
Issuance of ordinary shares pursuant to Private Placement	19	11,951	-	56,767	-	-	-	-	68,718	-	68,718
Expenses incurred on issuance of ordinary shares		-	-	(3,511)	-	-	(1,570)	-	(5,081)	-	(5,081)
Share Options granted under ESOS		-	-	-	-	4,154	-	-	4,154	-	4,154
Treasury shares acquired	20	-	(1)	-	-	-	-	-	(1)	-	(1)
Acquisition from minority interests		-	-	-	-	-	-	-	-	(1,880)	(1,880)
Balance at 31.12.2009		131,461	(11,389)	345,530	419	11,490	57,714	(139,706)	395,519	5,307	400,826

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

Statements Of Changes In Equity

For The Financial Year Ended 31 December 2010

continued

THE GROUP	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Employee Share-Option Reserve RM'000	Warrant Reserve RM'000	Retained Profits/ Accumulated Losses RM'000	Attributable to Owners Of The Company RM'000	Minority Interests RM'000	Total Equity RM'000
		← Non-distributable						Distributable →			
Balance at 31.12.2009/ 1.1.2010		131,461	(11,389)	345,530	419	11,490	57,714	(139,706)	395,519	5,307	400,826
Total comprehensive expense		-	-	-	(372)	-	-	(143,397)	(143,769)	(82,166)	(225,935)
Issuance of preference shares by subsidiary		-	-	-	-	-	-	-	-	129,238	129,238
Expenses incurred on issuance of											
- ordinary shares		-	-	(428)	-	-	-	-	(428)	-	(428)
- preference shares		-	-	-	-	-	-	-	-	(8,020)	(8,020)
Share Options granted under ESOS		-	-	-	-	3,289	-	-	3,289	-	3,289
ESOS exercised		90	-	270	-	-	-	-	360	-	360
Balance at 31.12.2010		131,551	(11,389)	345,372	47	14,779	57,714	(283,103)	254,971	44,359	299,330

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

Statements Of Changes In Equity

For The Financial Year Ended 31 December 2010

continued

THE COMPANY	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Employee Share-Option Reserve RM'000	Fair Value Reserve RM'000	Warrant Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
		← Non-distributable →								
Balance at 1.1.2009		79,987	(11,388)	292,274	50	7,336	-	-	91,824	460,083
Total comprehensive expense		-	-	-	(31)	-	-	-	(43,142)	(43,173)
Issuance of ordinary shares pursuant to Rights Issue	19	39,523	-	-	-	-	-	59,284	-	98,807
Issuance of ordinary shares pursuant to Private Placement	19	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	20	-	(1)	-	-	-	-	-	-	(1)
Balance at 31.12.2009		131,461	(11,389)	345,530	19	11,490	-	57,714	48,682	583,538

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

Statements Of Changes In Equity

For The Financial Year Ended 31 December 2010

continued

THE COMPANY	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Employee Share-Option Reserve RM'000	Fair Value Reserve RM'000	Warrant Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
		← Non-distributable →								
Balance at 31.12.2009/ 1.1.2010		131,461	(11,389)	345,530	19	11,490	-	57,714	48,713	583,538
Total comprehensive income		-	-	-	(16)	-	74,000	-	(55,321)	18,663
Expenses incurred on issuance of ordinary shares		-	-	(428)	-	-	-	-	-	(428)
Share Options granted under ESOS		-	-	-	-	3,289	-	-	-	3,289
ESOS exercised		90	-	270	-	-	-	-	-	360
Balance at 31.12.2010		131,551	(11,389)	345,372	3	14,779	74,000	57,714	(6,608)	605,422

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2010

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Loss before taxation		(225,871)	(184,962)	(52,055)	(40,728)
Adjustments for:-					
Amortisation of:					
- development costs		5,429	3,750	2,712	1,415
- intellectual property		2,280	2,280	2,280	2,280
- modems		28,838	29,845	-	-
Bad debts written off		1,130	-	1,130	-
Depreciation of property, plant and equipment		51,219	15,891	1,977	1,745
Development costs written off		14,931	3,882	3,424	-
Equipment written off		14	2,976	14	-
Impairment loss on :					
- trade receivables		6,039	8,379	4,196	-
- other receivables		1,304	-	1,304	-
- other investment		9,128	9,500	9,128	9,500
- investment in subsidiary		-	-	11,235	11,000
- goodwill		4,330	-	-	-
- investment in associates		878	9,000	20,108	9,000
Interest expense		16,020	10,050	7,374	9,754
Inventories written down		8,939	4,036	996	-
Share of loss in associates		17,907	669	-	-
Share options granted under ESOS		3,289	4,154	3,289	4,154
(Gain)/Loss on disposal of property, plant and equipment		21	(17)	-	(4)
Unrealised (gain)/loss on foreign exchange		(14,484)	(145)	6,115	1,275
Interest income		(510)	(2,546)	(8,598)	(8,015)
Operating (loss)/profit before working capital changes		(69,169)	(83,258)	14,629	1,376
Decrease/(Increase) in inventories held for resale		5,014	(21,830)	11,260	(19,600)
Increase in trade and other receivables		(98,378)	(165,714)	(13,651)	(57,312)
(Decrease)/Increase in trade and other payables		(77,191)	126,864	(789)	25,646
Decrease/(Increase) in amount owing by subsidiaries		-	-	3,067	(10,059)
CASH (FOR)/FROM OPERATIONS CARRIED FORWARD		(239,724)	(143,938)	14,516	(59,949)

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2010

continued

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
CASH (FOR)/FROM OPERATIONS CARRIED FORWARD		(239,724)	(143,938)	14,516	(59,949)
Interest paid		(16,020)	(10,050)	(7,374)	(9,754)
Tax paid		1,162	(1,075)	90	(2,291)
NET CASH FOR OPERATING ACTIVITIES		(254,582)	(155,063)	7,232	(71,994)
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of subsidiaries	34	-	(213)	-	(73)
Additional investment in subsidiaries		-	(7,650)	(3,394)	(13,491)
Addition of other investments		-	-	(39,687)	-
Proceeds from disposal of a subsidiary		-	-	-	392
Purchase of property, plant and equipment	35	(81,039)	(165,002)	(249)	(2,659)
Proceeds from disposal of property, plant and equipment		182	412	-	-
Development costs incurred		(3,729)	(20,367)	(8,435)	(4,004)
Advances to subsidiaries		-	-	(43,713)	(56,432)
Interest received		510	2,546	8,598	8,015
Subscription for RCPS-i/IICPS		-	(226)	-	(110,227)
NET CASH FOR INVESTING ACTIVITIES/ BALANCE BROUGHT FORWARD		(84,076)	(190,500)	(86,880)	(178,479)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment to)/Advances from a related company		-	-	(14,287)	13,892
(Repayment to)/Advances from a subsidiary		-	-	(5,271)	4,993
Issuance of Preference Share to non-controlling interest by subsidiary		322,910	-	-	-
Proceeds from issuance of ordinary shares		360	167,525	360	167,525
Proceeds from private placement		68,504	-	68,504	-
Expenses incurred on issuance of ordinary/preference shares		(8,448)	(5,081)	(428)	(5,081)
Net (repayment)/drawdown of borrowings		(6,091)	56,078	607	6,479
Repayment of hire purchases obligations		(8,425)	(6,177)	(323)	(192)
Treasury shares acquired		-	(1)	-	(1)
NET CASH FROM FINANCING ACTIVITIES		368,810	212,344	49,162	187,615
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		30,152	(133,219)	(30,486)	(62,858)
Foreign exchange translation differences		(6,487)	(850)	(6,131)	(31)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		147,155	281,224	120,744	183,633
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	36	170,820	147,155	84,126	120,744

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2010

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 2011.

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 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. 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.

(a) During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 (Revised) Presentation of Financial Statements

FRS 123 (Revised) Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation

3. BASIS OF PREPARATION continued

(a) **FRSs and IC Interpretations (including the Consequential Amendments)** continued

Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:-

(i) FRS 7 requires additional disclosures about the financial instruments of the Group. Prior to 1 January 2010, information about financial statements was disclosed in accordance with the requirements of FRS 132 - Financial Instruments: Disclosures and Presentation. FRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group has applied FRS 7 prospectively in accordance with the transitional provisions. Accordingly, the new disclosures have not been applied to the comparatives and are included throughout the financial statements for the current financial year.

(ii) FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

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 classification of items in the statement.

FRS 101 (Revised) also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. This new disclosure is made in Note 43(b) to the financial statements.

Comparative information has been re-presented so that it is in conformity with the requirements of this revised standard.

3. BASIS OF PREPARATION continued

(iii) The Company has previously asserted explicitly that it regards financial guarantee contracts of banking facilities granted to its subsidiaries as insurance contracts and will apply FRS 4 to such financial guarantee contracts. Accordingly, the adoption of FRS 139 did not have any financial impact on the financial statements in respect of the financial guarantee contracts issued by the Company to its subsidiaries. These financial guarantee contracts issued are disclosed as contingent liabilities under Note 42 to the financial statements.

(iv) The Group has adopted the amendments made to FRS 117 - Leases pursuant to the Annual Improvements to FRSs (2009). The Group has reassessed and determined that the leasehold land of the Group is in substance a finance lease and has been reclassified as property, plant and equipment. This change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

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

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010

The above accounting standards and interpretations (including the consequential amendments) are relevant to the Group's operations as follows:-

(i) FRS 3 (Revised) 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.

(ii) FRS 127 (Revised) 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 FRS 127 (Revised) prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting for its future transactions or arrangements.

(b) The financial effect of the adoption of FRS 127 (2010) is as follows:-

	The Group	
	2010 RM'000	2009 RM'000
Loss after taxation absorbed by minority interests	77,157	-

3. BASIS OF PREPARATION continued

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

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 124 (Revised) Related Party Disclosures	1 January 2012
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interprétation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
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
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Annual Improvements to FRSs (2010)	1 January 2011

4. 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 property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(a) Critical Accounting Estimates And Judgements continued

(i) *Depreciation of Property, Plant and Equipment* continued

The Group anticipates that the residual values of its property 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 year in which such determination is made.

(iii) *Impairment of Non-financial 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 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.

(vi) *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vii) *Impairment of Available-for-sale Financial Assets*

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is “significant’ or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(a) Critical Accounting Estimates And Judgements continued

(viii) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(ix) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(x) 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/or equity.

(xi) 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.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2010.

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

All subsidiaries are consolidated using the purchase method. Under the purchase method, 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 subsidiaries' 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 subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated statement of financial position 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.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(b) Basis of Consolidation continued

Minority interests are presented within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity, and are separately disclosed in the consolidated statement of comprehensive income. Transactions with minority interests are accounted for as transactions with owners. Gain or loss on disposal to minority interests is recognised directly in equity.

(c) Goodwill

Goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities 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 profit or loss. 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 as income immediately in profit or loss.

(d) 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 the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period 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 recognised in profit or loss.

(iii) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(e) Financial Instruments

Financial instruments are recognised in the statements of financial position 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.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Company's right to receive payment is established.

  As at the end of the reporting period, there were no financial assets classified under this category.

- *Held-to-maturity Investments*

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

  As at the end of the reporting period, there were no financial assets classified under this category.

- *Loans and Receivables Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(e) Financial Instruments continued

(i) *Financial Assets* continued

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) *Financial Liabilities*

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) *Equity Instruments*

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

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

(iv) *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 equity.

(v) *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.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(e) Financial Instruments continued

(vi) Irredeemable Convertible Preference Shares

The irredeemable convertible preference shares are regarded as compound instruments, consisting of a liability component and an equity component. The component of irredeemable convertible preference shares that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. On issuance of the redeemable convertible preference shares, their fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability in accordance with the Group's accounting policy.

The residual amount, after deducting the fair value of the liability component, is the equity component and is included in the shareholders' equity, net of transaction costs.

Transaction costs are apportioned between the liability and equity components of the irredeemable convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

(f) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(g) Investments in Associates

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

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

The investment in an associate is accounted for under the equity method, based on the financial statements of the associate made up to 31 December 2010. The Group's share of the post acquisition profits of the associate is included in the consolidated statement of comprehensive income and the Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves.

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

4. SIGNIFICANT ACCOUNTING POLICIES continued

(h) 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:-

Leasehold land	Over the lease period of 99 years
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 the end of each reporting period 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 and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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 recognised in profit or loss.

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.

In the previous financial year, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments.

During the financial year, the Group adopted the amendments made to FRS 117 - Leases in relation to the classification of lease of land. The Group's leasehold land which in substance is a finance lease has been reclassified as property, plant and equipment and measured as such retrospectively.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(i) 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.

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.

(j) 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.

(k) Research and Development Expenditure

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

Development expenditure is recognised as an expense except that costs 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 is not recognised as assets in the subsequent period.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(k) Research and Development Expenditure continued

The development expenditure is amortised on a straight-line method over its useful economic lives 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.

(l) Modems

Expenditure incurred in providing the customer a free modem, provided the customer signs a non-cancellable contract for a predetermined contractual period, are capitalised as intangible assets and amortised over the contractual period on a straight line method. These expenditure capitalised are assessed at each reporting date whether there is any indication that the modems may be impaired.

(m) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period 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 their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss 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.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(m) Impairment continued

(ii) Impairment of Non-Financial Assets continued

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 profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

(n) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4(h) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(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.

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

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

(p) Income Taxes

Income tax for the year comprises 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 end of the reporting period.

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. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period 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.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(p) Income Taxes continued

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 end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination 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.

(q) 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.

(r) Provisions

Provisions are recognised when the Group 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 the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(s) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick 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 recognised in profit or loss 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.

(t) Related Parties

A party is 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;

4. SIGNIFICANT ACCOUNTING POLICIES continued

(t) Related Parties continued

(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.

(u) Contingent Liabilities

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 an 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.

(v) 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 the 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.

(iv) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(v) Rental Income

Rental income is recognised on an accrual basis.

(w) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING POLICIES continued

(x) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost		
- in Malaysia	41,431	41,431
- outside Malaysia	48,823	45,429
	90,254	86,860
Accumulated impairment losses:-		
At 1 January	(11,000)	-
Addition during the financial year	(11,235)	(11,000)
At 31 December	(22,235)	(11,000)
	68,019	75,860

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2010	Effective Equity Interest 2009	Principal Activities
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.
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. ("GPA")*	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.

5. INVESTMENTS IN SUBSIDIARIES continued

Name of Company	Country of Incorporation	Effective Equity Interest 2010	Effective Equity Interest 2009	Principal Activities
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.	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%	100%	Supply and management of telecommunications network equipment.
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%	55%	Provision of social online networking services.
OneVois Sdn. Bhd. ("OVSB") #	Malaysia	100%	100%	Provision of total communication services, solutions and products.

5. INVESTMENTS IN SUBSIDIARIES continued

Name of Company	Country of Incorporation	Effective Equity Interest 2010	Effective Equity Interest 2009	Principal Activities
OneVois Global Co Ltd (“OVG”) ##*	Thailand	33%	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%	70%	Provision of total consultancy services, solutions and products.
Packet One (S) Pte. Ltd (“P1s”) *	The Republic of Singapore	100%	100%	Provision of last mile broadband network infrastructure facilities and services
Inova Venture Pte. Ltd. (“IVPL”) ^*	The Republic of Singapore	71%	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.*
^^ *Head through Inova Venture Pte. Ltd.*

6. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted shares, at cost	29,733	29,733	29,733	29,733
Share of post acquisition loss	(24,422)	(6,515)	-	-
Gain on dilution of investment	5,192	5,192	-	-
	10,503	28,410	29,733	29,733
Accumulated impairment loss:-				
At 1 January	(9,625)	(625)	(9,625)	(625)
Addition during the year	(878)	(9,000)	(20,108)	(9,000)
	(10,503)	(9,625)	(29,733)	(9,625)
At 31 December	-	18,785	-	20,108

Details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2010	Effective Equity Interest 2009	Principal Activities
GMO Global Limited	The British Virgin Islands	27.9%	27.9%	Investment holding.
MH Capital Inc. *	The British Virgin Islands	19.5%	19.5%	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%	19.5%	Research, development and commercialisation of internet application, telecommunication and multimedia technology, design and production of webpage and other related technical training and services.

* *Held through GMO Global Limited.*

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

	2010 RM'000	2009 RM'000
ASSETS AND LIABILITIES		
Total assets	5,268	71,763
Total liabilities	(1,049)	(1,071)
Results		
Revenue	13,761	22,977
Profit/(Loss) for the year	(61,702)	(6,007)

During the financial year, the group has recognised full impairment on the investment of associates. The impairment was made by the directors as a result of the continued operating losses reported by these associates.

7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	As Previously Reported At 1.1.2010 RM'000	Effects of FRS 117 RM'000	Prior Year Adjustment (Note 46) RM'000	As Restated At 1.1.2010 RM'000	Additions RM'000	Disposals /Written Off RM'000	Transfer RM'000	Depreciation Charge RM'000	At 31.12.2010 RM'000
NET BOOK VALUE									
Leasehold land	-	17,171	-	17,171	-	-	-	(530)	16,641
Long leasehold buildings	17,433	-	-	17,433	-	-	-	(289)	17,144
Motor vehicles	1,300	-	-	1,300	228	-	-	(553)	975
Plant and machinery	689	-	-	689	43	(97)	-	(228)	407
Office equipment	5,184	-	-	5,184	1,300	(17)	-	(714)	5,753
Furniture and fittings	1,903	-	-	1,903	624	(14)	-	(715)	1,798
Computer equipment	3,547	-	-	3,547	1,756	(39)	-	(3,679)	1,585
Renovation	8,297	-	-	8,297	781	(50)	-	(2,588)	6,440
Computer software	13,244	-	-	13,244	97	-	-	(381)	12,960
Broadband infrastructure	276,592	-	-	276,592	76,184	-	125,600	(42,290)	436,086
Capital work-in-progress	138,890	-	(9,583)	129,307	1,494	-	(125,600)	-	5,201
	467,079	17,171	(9,583)	474,667	82,507	(217)	-	(51,967)	504,990

7. PROPERTY, PLANT AND EQUIPMENT continued

THE GROUP	As Previously Reported At 1.1.2009 RM'000	Effects Of FRS 117 RM'000	As Restated At 1.1.2009 RM'000	Acquisition Of A Subsidiary RM'000	Additions Prior Year: As Previously Reported RM'000	Additions Prior Year: Adjustment (Note 46) RM'000	As Restated RM'000	Disposals RM'000	Written Off RM'000	Restated Depreciation Charge RM'000	As Restated At 31.12.2009 RM'000
NET BOOK VALUE											
Leasehold land	-	17,488	17,488	-	-	-	-	-	-	(317)	17,171
Long leasehold buildings	17,433	-	17,433	-	-	-	-	-	-	-	17,433
Motor vehicles	1,235	-	1,235	-	587	-	587	-	-	(522)	1,300
Plant and machinery	967	-	967	-	267	-	267	(289)	-	(256)	689
Office equipment	9,274	-	9,274	-	-	-	-	-	(2,662)	(1,428)	5,184
Furniture and fittings	1,045	-	1,045	-	1,090	-	1,090	-	-	(232)	1,903
Computer equipment	3,534	-	3,534	-	1,764	-	1,764	(33)	(201)	(1,517)	3,547
Renovation	6,790	-	6,790	-	3,335	-	3,335	-	(29)	(1,799)	8,297
Computer software	985	-	985	1,074	12,343	-	12,343	(73)	(84)	(1,001)	13,244
Broadband infrastructure	36,277	-	36,277	-	251,145	-	251,145	-	-	(10,830)	276,592
Capital work-in-progress	99,732	-	99,732	-	39,158	(9,583)	29,575	-	-	-	129,307
	177,272	17,488	194,760	1,074	309,689	(9,583)	300,106	(395)	(2,976)	(17,902)	474,667

7. PROPERTY, PLANT AND EQUIPMENT continued

THE GROUP	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
At 31.12.2010			
Leasehold land	17,657	(1,016)	16,641
Long leasehold buildings	17,656	(512)	17,144
Motor vehicles	3,269	(2,294)	975
Plant and machinery	6,194	(5,787)	407
Office equipment	9,983	(4,230)	5,753
Furniture and fittings	3,091	(1,293)	1,798
Computer equipment	9,014	(7,429)	1,585
Renovation	11,199	(4,759)	6,440
Computer software	14,875	(1,915)	12,960
Broadband infrastructure	491,124	(55,038)	436,086
Capital work-in-progress	5,201	-	5,201
	589,263	(84,273)	504,990

At 31.12.2009	Restated At Cost RM'000	Restated Accumulated Depreciation RM'000	Restated Net Book Value RM'000
Leasehold land	17,657	(486)	17,171
Long leasehold buildings	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	129,307	-	129,307
	506,973	(32,306)	474,667

7. PROPERTY, PLANT AND EQUIPMENT continued

THE COMPANY	At 1.1.2010 RM'000	Additions RM'000	Written Off RM'000	Depreciation Charge RM'000	At 31.12.2010 RM'000
NET BOOK VALUE					
Motor vehicles	392	-	-	(255)	137
Plant and machinery	160	97	-	(224)	33
Office equipment	303	23	-	(57)	269
Furniture and fittings	431	40	(6)	(197)	268
Computer equipment	929	60	(8)	(331)	650
Renovation	4,398	203	-	(1,125)	3,476
Computer software	206	168	-	(76)	298
	6,819	591	(14)	(2,265)	5,131
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

THE COMPANY	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
At 31.12.2010			
Motor Vehicles	1,667	(1,530)	137
Plant and machinery	1,675	(1,642)	33
Office equipment	600	(331)	269
Furniture and fittings	669	(401)	268
Computer equipment	1,375	(725)	650
Renovation	5,894	(2,418)	3,476
Computer software	721	(423)	298
	12,601	(7,470)	5,131

7. PROPERTY, PLANT AND EQUIPMENT continued

THE COMPANY	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
At 31.12.2009			
Motor Vehicles	1,667	(1,186)	481
Plant and machinery	1,578	(1,507)	71
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

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

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Motor vehicles	870	1,300	137	392
Computer equipment	349	103	186	-
Computer software	1,984	2,031	-	-
Capital work-in-progress	12,227	15,601	-	-
	15,430	19,035	323	392

The long leasehold land and building has been pledged as security for banking facilities granted to the Company as disclosed in Note 24 to the financial statements.

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

	The Group		The Company	
	2010 RM'000	As Restated 2009 RM'000	2010 RM'000	2009 RM'000
Income statement	51,219	15,891	1,977	1,745
Development cost (Note11)	748	707	288	250
Capital work-in-progress	-	1,304	-	-
	51,967	17,902	2,265	1,995

8. PREPAID LAND LEASE PAYMENTS

	The Group	
	2010	2009
	RM'000	RM'000
At cost		
As previously reported	17,657	17,657
Effects of FRS 117	(17,657)	(17,657)
As restated	-	-
Accumulated amortisation		
As previously reported	486	486
Effects of FRS 117	(486)	(486)
As restated	-	-

The Group has adopted the amendments made to FRS 117 - Leases during the financial year. The Group has reassessed and determined that the leasehold land of the Group is in substance a finance lease and has been reclassified as property and equipment. This change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

9. OTHER INVESTMENTS

		The Group		The Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	(a), (b)	18,628	18,628	18,628	18,628
Unquoted shares, at fair value	(c)	-	-	425,015	311,328
Club membership	(b)	135	135	135	135
		18,763	18,763	443,778	330,091
Impairment loss:-					
At 1 January		(9,500)	-	(9,500)	-
Addition during the year		(9,128)	(9,500)	(9,128)	(9,500)
At 31 December		(18,628)	(9,500)	(18,628)	(9,500)
		135	9,263	425,150	320,591

(a) The unquoted shares of the Group 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.

(b) These investments are designated as available-for-sale financial assets and are stated at cost as their fair value cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

(c) During the current financial year, the Company increased its investment in Islamic Irredeemable Convertible Preference Shares ("IICPS") in an indirect subsidiary, PONSB by the additional subscription of RM39.7 million. This investment is designated as available-for-sale financial assets and measured at fair value.

10. GOODWILL

	The Group	
	2010	2009
	RM'000	RM'000
At 1 January	23,141	12,786
Additional investment in a subsidiary	-	6,024
Acquisition of a new subsidiary	-	4,331
	23,141	23,141
Less: Accumulated impairment losses	(4,330)	-
At 31 December	18,811	23,141

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2010	2009
	RM'000	RM'000
Solution group	6,145	10,475
Broadband services	6,859	6,859
Communication Services	5,807	5,807
	18,811	23,141

(b) The Group has assessed the recoverable amounts of goodwill allocated and provided for impairment where required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2010	2009	2010	2009	2010	2009
Solution group	17%	17%	26%	20%	12%	12%
Broadband services	70%	70%	43%	150%	12%	12%
Communication services	20%	20%	20%	20%	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.

11. DEVELOPMENT COSTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At 1 January	68,888	51,696	18,811	14,557
Development costs capitalised during the financial year	4,477	21,074	8,723	4,254
Development costs written off	(14,931)	(3,882)	(3,424)	-
	58,434	68,888	24,110	18,811
Government grants	(489)	(489)	(489)	(489)
	57,945	68,399	23,621	18,322
Amortisation of development costs:-				
At 1 January	(7,609)	(3,859)	(3,040)	(1,625)
Amortisation charge	(5,429)	(3,750)	(2,712)	(1,415)
	(13,038)	(7,609)	(5,752)	(3,040)
At 31 December	44,907	60,790	17,869	15,282

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

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Depreciation of plant and equipment	748	707	288	250
Interest expense	10	72	-	-
Rental of premises	91	230	90	128
Staff costs	2,421	4,230	1,326	1,135

12. INTANGIBLE ASSETS

	Intellectual Property RM'000	Modems RM'000	Total RM'000
COST			
At 1 January 2009	22,800	3,706	28,506
Additions	-	56,970	56,970
At 31 December 2009/1 January 2010	22,800	60,676	83,476
Additions	-	60,200	60,200
At 31 December 2010	22,800	120,876	143,676

12. INTANGIBLE ASSETS continued

	Intellectual Property RM'000	Modems RM'000	Total RM'000
AMORTISATION			
At 1 January 2009	11,020	380	11,400
Additions	2,280	29,845	32,125
At 31 December 2009/1 January 2010	13,300	30,225	43,525
Additions	2,280	28,838	31,118
At 31 December 2010	15,580	59,063	74,643
CARRYING AMOUNTS			
At 31 December 2009	9,500	30,451	39,951
At 31 December 2010	7,220	61,813	69,033

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

Modems cost is expenditure incurred in providing the customer a free modem on the basis which is amortised over the contractual period.

13. INVENTORIES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
AT COST:-				
Inventories held for resale	21,779	35,484	12,207	24,463
Work-in-progress	-	248	-	-
	21,779	35,732	12,207	24,463

None of the inventories is carried at net realisable value.

14. TRADE RECEIVABLES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables	75,470	51,758	16,367	7,277
Allowance for impairment loss	(14,957)	(8,918)	(4,196)	-
	60,513	42,840	12,171	7,277
Allowance for impairment loss				
At 1 January	(8,918)	(709)	-	-
Addition for the financial year	(6,039)	(8,379)	(4,196)	-
Written off	-	170	-	-
At 31 December	(14,957)	(8,918)	(4,196)	-

14. TRADE RECEIVABLES continued

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

	Note	The Group/ The Company 2010 RM'000	2009 RM'000
Green Packet, Inc.	(a)	3,682	5,364

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

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

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2010 RM'000	Restated 2009 RM'000	2010 RM'000	2009 RM'000
Other receivables	62,626	117,794	8,390	73,463
Allowance for impairment loss	(1,667)	(363)	(1,304)	-
	60,959	117,431	7,086	73,463
Allowance for impairment loss				
At 1 January	(363)	(363)	-	-
Addition for the financial year	(1,304)	-	(1,304)	-
At 31 December	(1,667)	(363)	(1,304)	-

16. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

	The Company 2010 RM'000	2009 RM'000
Amount owing by:-		
Current		
- trade	2,204	10,057
- non-trade	68,463	115,750
	70,667	125,807
Non-current		
- non-trade	141,000	50,000
	211,667	175,807
Represented by:-		
At cost	141,000	50,000
At amortised cost	70,667	125,807
	211,667	175,807

16. AMOUNTS OWING BY/(TO) SUBSIDIARIES continued

	The Company 2010 RM'000	2009 RM'000
Amount owing to:-		
Current		
- trade	(1,594)	-
- non-trade	141,797	147,068
	140,203	147,068
Represented by:-		
At amortised cost	140,203	147,068
	140,203	147,068

The trade amounts are subject to normal credit terms. The non-trade amounts are unsecured, interest-free and repayable/receivable on demand. The amount owing is to be settled in cash.

Included in amount owing by subsidiaries is RM141,046,112 owing by a subsidiary which the settlement is neither planned nor likely to occur in the foreseeable future. This amount is in substance, a part of the Company's net investment in the subsidiary. Accordingly, this amount is classified as non-current asset and stated at cost less accumulated impairment loss, if any.

17. DEPOSITS WITH LICENSED BANKS

The effective interest rates of the deposits at the end of the reporting period ranged from 2.0% to 3.0% (2009 - 2.0% to 3.0%) per annum. The deposits have maturity periods ranging from 1 month to 3 months (2009 - 1 month to 3 months).

Included in the fixed deposits with licensed banks is an amount of RM1,159,000 (2009 - RM1,132,525) pledged to a licensed bank for banking facilities granted to the Group

18. CASH AND BANK BALANCES

Included in the cash at bank of the Company at the end of the reporting period is an amount of approximately RM80,136,295 (2009 - RM118,768,000) held in the account of a foreign subsidiary.

19. SHARE CAPITAL

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

	2010			2009		
	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	2,000,000	400,000	0.20	500,000	100,000
Increase during the year	0.20	-	-	0.20	1,500,000	300,000
At 31 December	0.20	2,000,000	400,000	0.20	2,000,000	400,000

19. SHARE CAPITAL continued

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

	2010			2009		
	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	657,304	131,461	0.20	399,935	79,987
Issuance of ordinary shares pursuant to:						
- Rights Issues	0.20	-	-	0.20	197,614	39,523
- Private placements	0.20	-	-	0.20	59,755	11,951
- ESOS	0.20	449	90	0.20	-	-
At 31 December	0.20	657,753	131,551	0.20	657,304	131,461

During the current financial year,

(a) there were no changes in the authorized share capital of the Company; and

(b) the Company increased its issued and paid-up capital from RM131,460,786 to RM131,550,658 by the issuance of 449,361 new ordinary shares of RM0.20 each for cash pursuant to the Company's Employees' Share Option Scheme at an exercise price of RM0.80 per ordinary share. All the new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

20. TREASURY SHARES

There were no purchases of any ordinary shares from the open market during the financial year. As at 31 December 2010, the total number of shares purchased preceding to the financial year and held as treasury shares was 4,707,700 ordinary shares. The treasury shares are held at a carrying amount of RM11,388,802. None of the treasury shares were resold or cancelled during the financial year ended 31 December 2010.

21. RESERVES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Share premium	345,372	345,530	345,372	345,530
Translation reserve	47	419	3	19
Employee share option reserve	14,779	11,490	14,779	11,490
Fair value reserve	-	-	74,000	-
Warrant reserve	57,714	57,714	57,714	57,714
(Accumulated losses)/ Retained profits	(283,103)	(139,706)	(6,608)	48,713
	134,809	275,447	485,260	463,466

21. RESERVES continued

(a) Share Premium

The movements of the share premium of the Group and the Company are as follows:

	The Group/ The Company	
	2010 RM'000	2009 RM'000
At 1 January	345,530	292,274
Premium arising from private placement	-	56,767
Expenses incurred for private placement	(428)	(3,511)
Premium arising from ESOS	270	-
At 31 December	345,372	345,530

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.

(b) Translation Reserve

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

(c) Employee Share Option Reserve

The employee share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise 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	At Exercise Price of RM1.10 Each '000
As at 1 January 2010	7,597	8,673	8,486	-
Granted during the financial year	-	-	-	11,612
Cancellation due to staff resignations	(457)	(1,221)	(836)	(1,529)
Exercised during the financial year	-	-	(449)	-
As at 31 December 2010	7,140	7,452	7,201	10,083

21. RESERVES continued

(c) Employee Share Option Reserve continued

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	At Exercise Price of RM1.10 Each '000
Fair value of share options at the grant date (RM)	0.91	0.73	0.37	0.30
Share price (RM)	3.18	2.25	0.89	1.23
Exercise price (RM)	4.22	1.97	0.80	1.10
Expected volatility (%)	31.43	36.80	36.80	17.50
Expected life (years)	5.00	3.50	2.50	5.00
Risk free rate (%)	3.81	3.81	3.81	3.55
Dividend yield (%)	1.32	-	-	-

(d) 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.

(e) Fair Value Reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of available-for-sale financial assets until they are disposed of or impaired.

22. 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.

(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.

22. GUARANTEED REDEEMABLE CONVERTIBLE EXCHANGEABLE BONDS ("GCEB") continued

(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").

(l) 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.

23. HIRE PURCHASE PAYABLES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Minimum hire purchase payments:				
- not later than one year	6,274	6,820	343	335
- later than one year and not later than five years	2,483	9,333	417	446
- later than five years	21	-	-	-
	8,778	16,153	760	781
Less: Future finance charge	(771)	(1,189)	(102)	(142)
Present value of hire purchase payables	8,007	14,964	658	639
The net hire purchase payables are repayable as follows:-				
Current:				
- not later than one year	5,790	6,012	298	198
Non-current:				
- later than one year and not later than five years	2,200	8,952	360	441
- later than five years	17	-	-	-
	2,217	8,952	360	441
	8,007	14,964	658	639

The hire purchase payables of the Group and of the Company bore effective interest rates ranging from 1.93% to 6.50% (2009 - 1.93% to 6.50%) per annum at the end of the financial period.

24. BORROWINGS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Amanah Term Financing-i ("Amanah Facility")	12,768	15,856	12,768	15,856
Structured Commodity Financing-i Term Facility (" i Term Facility")	29,759	34,200	-	-
Syndicated Murabaha Facility ("Murabaha Facility")	70,329	85,500	-	-
Revolving Credits	4,500	4,500	-	-
Amanah Trade Bills	12,656	8,962	12,656	8,962
Murabaha Project Facility ("Project Facillity")	43,694	46,499	-	-
Irredeemable Convertible Preference Shares ("ICPS")	158,707	-	-	-
	332,413	195,517	25,424	24,818

24. BORROWINGS continued

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current portion:				
- repayable within one year	60,806	32,519	15,442	9,264
Non-current portion:				
- repayable between one and two years	63,958	48,696	2,786	5,672
- repayable between two and five years	48,942	112,677	7,196	8,357
- repayable after five years	158,707	1,625	-	1,525
Total non-current portion	271,607	162,998	9,982	15,554
	332,413	195,517	25,424	24,818

Amanah Facility

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% (2009 - 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.

i Term Facility & Murabaha Facility

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 5.50% (2009 - 3.50% to 6.00%) per annum and are secured by a corporate guarantee from the Company and will be fully repaid in 2013.

Project Facility

The Project Facility was granted to a subsidiary and bore an effective interest rate of 7% (2009 - 7%) 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.

Amanah Trade Bills

The Amanah Trade Bills bore effective interest rates ranging from 6.8% to 8.0% (2009 - 6.8% to 7.5%) per annum and are repayable over a period of 90 to 120 days.

Revolving Credits

The Revolving Credits were granted to a subsidiary and bore effective interest rates ranging from 3.4% to 4.4% (2009 - 3.4% to 3.9%) per annum and are secured by way of a corporate guarantee from the Company and are renewable on a quarterly basis.

24. BORROWINGS continued

Irredeemable Convertible Preference Shares

During the financial year, a subsidiary of the Company issued 979,474 Class C ICPS of RM0.10 each at an issued price of RM329.68 to a minority shareholder of the subsidiary.

The principal terms of the Class C ICPS shall carry a fixed cumulative dividend amounting to 4.75% per annum, of the Original Acquisition Price (adjusted for share splits, stock dividends, combinations and other similar recapitalisations affecting such shares) for Class C ICPS, payable semi-annually in arrears provided that (a) any such dividends shall only be payable subject to the availability of distributable profits and (b) where any dividend or part thereof is not payable in such circumstances, such dividend or part thereof shall not be regarded as being in arrears for the purpose of the entitlement to exercise any voting rights under the Class C ICPS. Accordingly, the Class C ICPS is classified as compound instruments, of which the liability portion and its dividend are reflected as financial liability.

25. DEFERRED TAXATION

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At 1 January	2,499	2,418	-	-
Transfer to income statements (Note 32)	455	81	24	-
Initial recognition of equity component of a compound financial instruments	40,290	-	-	-
At 31 December	43,244	2,499	24	-

The deferred tax liabilities relate mainly to initial recognition of equity component of a compound financial instruments and temporary differences from accelerated capital allowances.

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

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unutilised tax losses	244,395	145,349	-	-
Unabsorbed capital allowances	76,026	21,577	-	-
	320,421	166,926	-	-

No deferred tax assets are recognised in respect of this item as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

26. TRADE PAYABLES

The normal trade credit term granted to the Group and the Company range from 30 to 90 days.

27. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current portion:				
- repayable within one Year	133,240	147,470	10,025	7,417
Non-current portion:				
- repayable between one and two years	46,112	43,145	-	-
- repayable between two and five years	-	47,944	-	-
Total non-current portion	46,112	91,089	-	-
	179,352	238,559	10,025	7,417

The other payables include an amount of approximately RM90 million (2009 : RM129 million) owing to a supplier for the design, survey, supply, installation, testing, commissioning, integrating and optimising of a subsidiary's WiMAX Networks which is payable over a period of 3 years from the time of delivery of the equipment.

28. AMOUNT OWING TO A RELATED COMPANY

The amount in the previous financial year was non-trade in nature, unsecured, interest-fee and repayable on demand. The amount owing was settled in cash.

29. NET ASSETS PER SHARE

The net assets per share is calculated based on the net assets value at the balance sheet date of RM 254,971,000 (2009 - RM395,519,000) divided by the number of ordinary shares in issue at the balance sheet date of 653,045,589 (2009 - 652,596,228) excluding treasury shares held by the Company.

30. 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Solution Group	107,372	41,220	124,451	47,938
Broadband services	208,281	95,480	-	-
Communication services	78,315	81,115	-	-
	393,968	217,815	124,451	47,938

31. LOSS BEFORE TAXATION

	The Group		The Company	
		Restated		Restated
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging/(crediting):-				
Amortisation on:				
- development costs	5,429	3,750	2,712	1,415
- intellectual property	2,280	2,280	2,280	2,280
- modems	28,838	29,845	-	-
Impairment loss on:				
- trade receivables	6,039	8,379	4,196	-
- other receivables	1,304	-	1,304	-
- investment in associates	878	9,000	20,108	9,000
- other investment	9,128	9,500	9,128	9,500
- goodwill	4,330	-	-	-
- investment in a subsidiary	-	-	11,235	11,000
Audit fee:				
- for the current financial year	323	230	75	44
- underprovision in the previous financial year	92	22	20	-
Bad debts written off	1,130	-	1,130	-
Depreciation of property, plant and equipment	51,219	15,574	1,977	1,745
Development costs written off	14,931	3,882	3,424	-
Directors' remuneration	933	976	933	976
Directors' fee	236	225	236	225
Equipment written off	14	2,976	14	-
Interest expense:				
- hire purchase	112	64	44	35
- loans	6,181	7,927	4,858	7,660
- GCEB	2,908	2,059	2,472	2,059
- Class C ICPS-i	5,325	-	-	-
- Other payables	1,494	-	-	-
Inventories written down	8,939	4,036	996	-
Internet protocol lease rental	12,513	17,971	-	-
Rental of office	5,335	2,508	1,136	1,574
Rental of equipment	2,590	4,110	14	14
Rental of motor vehicle	51	-	-	-
Share options granted under ESOS	3,289	4,154	3,289	4,154
Staff costs	65,519	55,550	15,850	14,158
Loss/(Gain) on disposal of property, plant and equipment	21	(17)	20	(4)
(Gain)/Loss on foreign exchange:				
- realised	(3,658)	(1,303)	(516)	(1,058)
- unrealised	(14,484)	(145)	6,115	1,275
Interest income	(510)	(2,546)	(8,598)	(8,015)

32. INCOME TAX EXPENSE

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Income tax				
- for the financial year	1,016	2,469	1,700	2,383
- (over)/underprovision in the previous financial year	(1,779)	(102)	(1,650)	-
	(763)	2,367	50	2,383
Deferred taxation (Note 25)	455	81	24	-
	(308)	2,448	74	2,383

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.

The statutory tax rate for the current financial year remains at 25%.

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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Loss before taxation	(225,871)	(184,962)	(55,247)	(40,728)
Tax at the statutory tax rate of 25%	(56,468)	(46,241)	(13,812)	(10,182)
Tax effects of:-				
Non-taxable income	(31)	(20)	-	-
Non-deductible expenses	15,117	18,876	13,886	12,565
Deferred tax assets not recognised in the current financial year	43,336	29,561	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(485)	(707)	-	-
Differential in tax rates	13	1,081	-	-
(Over)/Underprovision in the previous financial year	(1,790)	(102)	-	-
	(308)	2,448	74	2,383

33. LOSS PER SHARE

The basic loss per share is arrived at by dividing the Group's loss attributable to shareholders of RM143,397,000 (2009 - RM182,645,000) by the following weighted average number of ordinary shares in issue during the financial year excluding treasury shares held by the Company.

	The Group	
	2010 RM'000	2009 RM'000
Issued ordinary shares at 1 January	657,304	399,935
Effect of private placement	-	164
Effect of Rights Issue	-	49,810
Effect of ESOS	317	-
	657,621	449,909

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.

34. ACQUISITION OF SUBSIDIARIES

In the previous 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").

The fair values of the identifiable assets and liabilities of these subsidiaries as at the date of acquisition were:-

	The Group	
	2010 RM'000	2009 RM'000
Non-current assets	-	1,074
Current assets	-	419
Current liabilities	-	(932)
Deferred taxation	-	-
Minority interest	-	(122)
Fair value of net assets acquired	-	439
Goodwill on acquisition	-	4,331
Total purchase consideration	-	4,770
Less - fund from investment of associate	-	(4,557)
- Cash and cash equivalents of the subsidiaries acquired	-	-
Net cash outflow for acquisition of subsidiaries	-	213

34. ACQUISITION OF SUBSIDIARIES continued

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

	The Group	
	2010 RM'000	2009 RM'000
Revenue	-	1,040
Loss after taxation	-	(3,828)

35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cost of property, plant and equipment purchased	82,507	309,689	591	2,695
Amount financed by equipment vendor	-	(129,435)	-	-
Amount financed through hire purchase	(1,468)	(13,948)	(342)	-
Depreciation capitalised	-	(1,304)	-	-
Cash disbursed for purchase of property, plant and equipment	81,039	165,002	249	2,695

36. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deposits with licensed banks (Note 17)	72,368	2,792	1,159	1,133
Cash and bank balances (Note 18)	98,452	144,363	82,967	119,611
	170,820	147,155	84,126	120,744

37. 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Executive directors:				
- basic salaries, Employees Provident Fund and bonus	908	947	908	947
Non-executive directors:				
- allowance	25	29	25	29
- fee	236	225	236	225
	1,169	1,201	1,169	1,201

37. DIRECTORS' REMUNERATION continued

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	
	2010 RM'000	2009 RM'000
Executive directors:-		
RM250,001 - RM350,000	1	1
RM550,001 - RM700,000	1	1
Non-executive directors:		
Above RM50,000	2	2
Below RM50,000	4	4
	8	8

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

38. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group 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 the related parties during the financial year:-

	The Company	
	2010 RM'000	2009 RM'000
Sales to subsidiaries:		
- GPNWLL	4,027	1,081
- PONSB	26,716	18,738
- GPA	6,946	-
Purchases from a subsidiary - PONSB	-	(5,873)
Loans/Advances from/(to) subsidiaries:		
- GPLL	-	123,770
- NGT	(76)	(3,542)
- Nextel	-	(3,542)
- GPNWLL	-	(3,648)
- P1.COM	-	(1,900)
- WESB	(2,313)	-
- Inova	(358)	-

38. SIGNIFICANT RELATED PARTY DISCLOSURES continued

	The Company	
	2010	2009
	RM'000	RM'000
Interest expense received/receivable from subsidiaries:		
- PONSB	6,042	4,373
- NGT Networks	76	18
- Worldline	2,313	3,117
- Inova	94	29
CPE and marketing subsidy received/receivable from a subsidiary - PONSB	-	26,750
Subscription of IICPS from a subsidiary:		
- PONSB	39,687	110,000

		The Group		The Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Engineering income received/receivable from related parties					
- Green Packet, Inc.	(a)	-	1,304	-	1,304
Loans from/(to) associate :					
- GMO Global Limited		(20)	(248)	(20)	(248)
Key management personnel compensation					
- short-term employee benefits		2,893	2,450	1,645	1,624
- share-based payment		823	1,095	625	786

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

39. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main business segments as follows:-

(i) Solution Group - Research, development, marketing and distribution of wireless networking and telecommunications products and solutions.

(ii) Broadband services - Provision of broadband networks infrastructure, facilities and services.

(iii) Communications Services – Provision of total communication services, solutions and products.

The management assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

39. OPERATING SEGMENTS continued

BUSINESS SEGMENTS

	Solution Group RM'000	Broadband Services RM'000	Communication Services RM'000	Group RM'000
2010				
Revenue				
External revenue	107,372	208,281	78,315	393,968
Inter-segment revenue	46,760	-	-	46,760
	154,132	208,281	78,315	440,728
Adjustments and eliminations				(46,760)
Consolidated revenue				393,968
Results				
Segment results	11,705	(65,751)	2,376	(51,670)
Interest income	73	437	-	510
Depreciation of property and equipment	(2,024)	(48,700)	(495)	(51,219)
Other non-cash expenses	(25,173)	(59,678)	-	(84,851)
	(15,419)	(173,692)	1,881	(187,230)
Finance costs				(16,020)
Share of results in associate				(17,907)
Unallocated expenses				(4,714)
Income tax expense				308
Consolidated loss after taxation				(225,563)
Assets				
Segment assets	189,346	718,628	44,135	952,109
	189,346	718,628	44,135	952,109
Investment in an associate				-
Consolidated total assets				952,109
Liabilities				
Segment liabilities	(52,239)	(538,849)	(18,447)	(609,535)
	(52,239)	(538,849)	(18,447)	(609,535)
Deferred taxation				(43,244)
Consolidated total liabilities				(652,779)

39. OPERATING SEGMENTS continued

BUSINESS SEGMENTS continued

	Solution Group RM'000	Broadband Services RM'000	Communication Services RM'000	Group RM'000
2009				
Revenue				
External revenue	41,220	95,480	81,115	217,815
Inter-segment revenue	19,819	-	26,750	46,569
	61,039	95,480	107,865	264,384
Adjustments and eliminations				(46,569)
Consolidated revenue				217,815
Results				
Segment results	(6,616)	(77,989)	561	(84,044)
Interest income	2,297	249	-	2,546
Depreciation of property and equipment	(923)	(14,214)	(437)	(15,574)
Other non-cash expenses	(29,509)	(48,276)	-	(77,785)
	(34,751)	(140,230)	124	(174,857)
Finance costs				(10,050)
Share of results in associate				(669)
Unallocated income				614
Income tax expense				(2,448)
Consolidated loss after taxation				(187,410)
Assets				
Segment assets	491,897	447,845	11,789	951,531
Investment in an associate				18,785
Consolidated total assets				970,316
Liabilities				
Segment liabilities	(293,515)	(256,659)	(16,817)	(566,991)
Deferred taxation				(2,499)
Consolidated total liabilities				(569,490)

39. OPERATING SEGMENTS continued

Other non-cash expenses consist of the following:-

	The Group	
	2010 RM'000	2009 RM'000
Amortisation of:-		
- Development costs	5,429	3,750
- Intellectual property	2,280	2,280
- Modems	29,586	29,845
Development costs written off	14,931	3,882
Impairment loss of other investment	9,128	9,500
Impairment loss on investment in subsidiary	4,331	-
Impairment loss on investment in associates	878	9,000
Inventories written off	8,939	4,036
Share options to employees	3,289	4,154
Impairment loss on trade receivables	6,039	8,379
Loss/(Gain) on disposal of property, plant and equipment	21	(17)
Equipment written off	-	2,976
	84,851	77,785

GEOGRAPHICAL INFORMATION

	Revenue		Non-current Assets	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysia	309,381	164,850	617,223	613,810
Outside Malaysia	84,587	52,965	20,653	12,787
	393,968	217,815	637,876	626,597

MAJOR CUSTOMERS

The following are major external customers with revenue equal to or more than 10% of Group revenue:-

	Revenue Contribution		Segment
	2010 %	2009 %	
Top 5 external customers	19%	13%	Solution group
Top 5 external customers	40%	33%	Communication services

For broadband services, its customers are retail in nature, hence its customer profile is voluminous and each of them is small compared to the segment revenue.

40. CAPITAL COMMITMENTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Approved and contracted for:				
Plant and equipment	123,949	97,334	71	339
Inventories	79,073	35,192	79,073	35,192

41. OPERATING LEASE COMMITMENTS

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

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Not later than one year	29,885	25,609	117	68
Later than one year and	21,016	14,599	111	-
not later than five years	-	125	-	125
	50,901	40,333	228	193

42. CONTINGENT LIABILITIES

(a) Corporate Guarantees

	The Company	
	2010 RM'000	2009 RM'000
Given to secure banking facilities granted to a wholly-owned subsidiary, GPLL	119,700	119,700
Given to ZTE Corporation. on payment under the Supply Contract by a 55% owned subsidiary, PONSB	131,000	131,000
Given to IBM (Malaysia) Sdn. Bhd. for Leasing Facility granted to PONSB.	14,000	14,000

(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.

43. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia and Chinese Renminbi. The currencies giving rise to this risk are primarily United States Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

The Group's exposure to foreign currency is as follows:-

THE GROUP	United States Dollar RM'000	Ringgit Malaysia RM'000	Chinese Renminbi RM'000	Others RM'000	Total RM'000
2010					
Financial assets					
Other investments	-	135	-	-	135
Trade receivables	24,160	35,977	65	311	60,513
Other receivables and deposits	1,905	26,172	104	4,459	32,640
Deposits with licensed banks	1,159	71,209	-	-	72,368
Cash and bank balances	5,212	12,598	80,642	-	98,452
	32,436	146,091	80,811	4,770	264,108
Financial liabilities					
GCEB	-	50,000	-	-	50,000
Hire purchase payables	-	8,007	-	-	8,007
Borrowings	100,087	232,326	-	-	332,413
Trade payables	22,007	17,381	223	152	39,763
Other payables and accruals	90,296	84,079	565	4,412	179,352
	212,390	391,793	788	4,564	609,535
Net financial assets/(liabilities)	(179,954)	(245,702)	80,023	206	(345,427)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	-	245,702	113	-	245,815
Currency exposure	(179,954)	-	80,136	206	(99,612)

43. FINANCIAL INSTRUMENTS continued

(a) Financial Risk Management Policies continued

(i) Market Risk continued

(i) Foreign Currency Risk continued

THE GROUP	United States Dollar RM'000	Ringgit Malaysia RM'000	Chinese Renminbi RM'000	Others RM'000	Total RM'000
2009					
Financial assets					
Other investments	9,128	135	-	-	9,263
Trade receivables	11,600	29,814	191	1,235	42,840
Other receivables and deposits	1,121	115,563	144	603	117,431
Deposits with licensed banks	-	2,792	-	-	2,792
Cash and bank balances	1,069	23,636	118,768	890	144,363
	22,918	171,940	119,103	2,728	316,689
Financial liabilities					
GCEB	-	50,000	-	-	50,000
Hire purchase payables	-	14,964	-	-	14,964
Borrowings	119,700	75,817	-	-	195,517
Trade payables	13,968	53,502	28	453	67,951
Other payables and accruals	121,864	115,254	254	1,187	238,559
	255,532	309,537	282	1,640	566,991
Net financial assets/ (liabilities)	(232,614)	(137,598)	118,821	1,088	(250,302)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	-	137,598	(53)	-	137,544
Currency exposure	(232,614)	-	118,768	1,088	(112,758)

THE COMPANY	United States Dollar RM'000	Ringgit Malaysia RM'000	Chinese Renminbi RM'000	Total RM'000
2010				
Financial assets				
Other Investments	-	425,150	-	425,150
Trade receivables	10,871	1,300	-	12,171
Other receivables and deposits	-	634	-	634
Deposits with licensed banks	-	1,159	-	1,159
Amount owing by subsidiaries	-	70,667	-	70,667
Cash and bank balances	30	2,801	80,136	82,967
	10,901	501,711	80,136	592,748

43. FINANCIAL INSTRUMENTS continued

(a) Financial Risk Management Policies continued

(i) Market Risk continued

(i) Foreign Currency Risk continued

THE COMPANY	United States Dollar RM'000	Ringgit Malaysia RM'000	Chinese Renminbi RM'000	Total RM'000
2010				
Financial liabilities				
GCEB	-	50,000	-	50,000
Hire purchase payables	-	658	-	658
Borrowings	-	25,424	-	25,424
Other payables and accruals	-	10,025	-	10,025
Trade payables	17,620	1,270	-	18,890
Amount owing to subsidiary	-	140,203	-	140,203
	17,620	227,580	-	245,200
Net financial assets/(liabilities)	(6,719)	274,131	80,136	347,548
Less: Net financial (assets)/liabilities denominated in the entity's functional currency	-	(274,131)	-	(274,131)
Currency exposure	(6,719)	-	80,136	73,417
2009				
Financial assets				
Other investments	9,128	311,463	-	320,591
Trade receivables	5,111	971	1,195	7,277
Other receivables and deposits	-	73,463	-	73,463
Deposits with licensed banks	-	1,133	-	1,133
Amount owing by subsidiaries	-	125,807	-	125,807
Cash and bank balances	965	3,172	115,474	119,611
	15,204	516,009	116,669	647,882

43. FINANCIAL INSTRUMENTS continued

(a) Financial Risk Management Policies continued

(i) Market Risk continued

(i) Foreign Currency Risk continued

THE COMPANY	United States Dollar RM'000	Ringgit Malaysia RM'000	Chinese Renminbi RM'000	Total RM'000
2009				
Financial liabilities				
GCEB	-	50,000	-	50,000
Hire purchase payables	-	639	-	639
Bank borrowings	-	24,818	-	24,818
Trade payables	15,633	6,654	-	22,287
Other payables and accruals	5,717	1,387	313	7,417
Amount owing to subsidiaries	-	147,068	-	147,068
Amount owing to related company	-	14,287	-	14,287
	21,350	244,853	313	266,516
Net financial assets/(liabilities)	(6,146)	271,156	116,356	381,366
Less: Net financial (assets)/liabilities denominated in the entity's functional currency	-	(271,156)	-	(271,156)
Currency exposure	(6,146)	-	116,356	110,210

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2010 Increase/ (Decrease) RM'000	2009 Increase/ (Decrease) RM'000	2010 Increase/ (Decrease) RM'000	2009 Increase/ (Decrease) RM'000
Effects on profit after taxation/ Equity				
United States Dollar:-				
- strengthened by 5%	(8,998)	(11,631)	(336)	(307)
- weakened by 5%	8,998	11,631	336	307
Renminbi:-				
- strengthened by 5%	4,007	5,938	4,007	5,818
- weakened by 5%	(4,007)	(5,938)	(4,007)	(5,818)

43. FINANCIAL INSTRUMENTS continued

(a) Financial Risk Management Policies continued

(i) Market Risk continued

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 49(a)(iii) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2010 Increase/ (Decrease) RM'000	2009 Increase/ (Decrease) RM'000	2010 Increase/ (Decrease) RM'000	2009 Increase/ (Decrease) RM'000
Effects on profit after taxation/ Equity				
Increase by 1% per annum ("p.a.")	(1,173)	(1,401)	(127)	(90)
Decrease 1% p.a.	1,173	1,401	127	90

(iii) Equity Price Risk

The Group's does not have any exposure to equity price risk arises mainly from changes in quoted investment prices as it does not hold any quoted investments.

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including unquoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's does not have major concentration of credit risk relating to any major single customer in its pool of customers as at the end of the reporting period.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

43. FINANCIAL INSTRUMENTS continued

(a) Financial Risk Management Policies continued

(ii) Credit Risk continued

Exposure to credit risk continued

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
In Malaysia	40,555	638	36	6,505
Outside Malaysia	19,958	42,202	12,135	772
	60,513	42,840	12,171	7,277

Ageing analysis

The ageing analysis of the Group's trade receivables as at 31 December 2010 is as follows:-

THE GROUP	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2010				
Not past due	58,700	-	-	58,700
Past due:-				
- less than 3 months	2,422	(609)	-	1,813
- 3 to 6 months	1,685	(1,685)	-	-
- over 6 months	4,875	(4,875)	-	-
	67,682	(7,169)	-	60,513

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

43. FINANCIAL INSTRUMENTS continued

(a) Financial Risk Management Policies continued

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2010						
GCEB	4.75%	50,000	54,500	2,250	52,250	-
Hire purchase payables	4.22%	8,007	8,778	6,274	2,483	21
Borrowings	5.00%	332,413	474,993	69,526	124,285	281,182
Trade payables	-	39,763	39,763	39,763	-	-
Other payables and accruals	-	179,352	185,947	152,253	33,694	-
		609,535	763,981	270,066	212,712	281,203

THE COMPANY						
2010						
GCEB	4.75%	50,000	54,500	2,250	52,250	-
Hire purchase payables	4.22%	658	760	343	417	-
Bank borrowings	5.00%	25,424	29,285	17,017	12,268	-
Trade payables	-	18,890	18,890	18,890	-	-
Other payables	-	10,025	10,025	10,025	-	-
Amount owing to subsidiaries	-	140,203	140,203	140,203	-	-
		245,200	253,663	188,728	64,935	-

43. FINANCIAL INSTRUMENTS continued

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest bearing bank borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	The Group	
	2010 RM'000	2009 RM'000
GCEB	50,000	50,000
Hire purchase payables	8,007	14,964
Bank borrowings	179,031	195,517
	237,038	260,481
Less: Deposits with licensed banks	72,368	2,792
Less: Cash and bank balances	98,452	144,363
Net debt	66,218	113,326
Total equity	493,002	400,826
Debt-to-equity ratio	0.13	0.28

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The Group is also required to maintain a maximum debt to equity ratio of 0.5 to comply with the bank covenant, failing which, the bank may call an event of default. The Group has complied with this requirement.

(c) Classification Of Financial Instruments

	The Group 2010 RM'000	The Company 2009 RM'000
Financial assets		
Assets held for sale		
Other investments	135	425,150

43. FINANCIAL INSTRUMENTS continued

(c) Classification Of Financial Instruments continued

	The Group 2010 RM'000	The Company 2009 RM'000
Loans and receivables financial assets		
Trade receivables	60,513	12,171
Other receivables and deposits	32,640	634
Amount owing by subsidiaries	-	70,667
Deposits with licensed banks	72,368	1,159
Cash and bank balances	98,452	82,967
	263,973	167,598
Financial liabilities		
Other financial liabilities		
GCEB	50,000	50,000
Hire purchase payables	8,007	658
Borrowings	332,413	25,424
Trade payables	39,763	18,890
Other payables and accruals	179,352	10,025
Amount owing to a subsidiary	-	140,203
	609,535	245,200

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values except for other investments disclosed in Note 9 to the financial statements.

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair value of GCEB and hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(iii) The carrying amounts of the bank borrowings approximated their fair values as these instruments bear interest at variable rates.

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are as follows:-

(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 its Employees' Share Option Scheme ("ESOS") to eligible employees and directors of the Company and its subsidiaries at an option price of RM1.10.

(b) On 30 April 2010, Packet One Networks (Malaysia) Sdn. Bhd. ("P1") had awarded a full turnkey contract for the design, permitting, site acquisition, CME works, planning, construction, survey, supply, installation, implementation and maintenance of P1's 4G WiMAX Network for Phase 3 to ZTE (Malaysia) Corporation Sdn Bhd and ZTE Corporation for a contract sum of approximately USD76,800,000 to extend its network coverage.

(c) On 19 October 2010, the Group has struck off Brillante Novastella Sdn. Bhd. ("BNSB") a subsidiary, as BNSB had become dormant and the Group does not have any plans to activate it.

(d) On 29 June 2010, the Company entered into a conditional Share Subscription Agreement ("SSA") with its subsidiary, P1 and SK Telecom Co., Ltd. ("SKT") to issue 979,474 Class Islamic Irredeemable Convertible Preference Shares of RM1.00 each in P1 ("Issue Shares") to SKT or a wholly-owned subsidiary nominated by SKT for a total cash consideration of RM322.91 million (equivalent of USD100 million) (the "Issuance").

In addition, GPB had on even date, entered into a Cooperation Agreement with SKT to record their understanding with respect to their rights and obligations under the SSA that will survive in the event of the listing of P1 or a subsidiary, associate or special purpose holding company used as a vehicle for the listing ("ListCo").

In connection with the Issuance, GPB had *inter alia*:-

(i) converted all its holdings of 1,050,035 Islamic Redeemable Convertible Preference Shares of RM1.00 each in P1 into 1,050,035 Class A Islamic Irredeemable Convertible Preference Shares of RM1.00 each in P1 ("Class A ICPS-i"); and

(ii) converted an amount due from P1 as of 31 December 2009 being RM39,687,259.22 into 151,351 Class A ICPS-I;

(iii) undertaken with the parties of the SSA that it will not call for the repayment of the RM50 million loan ("Advance") to P1 and that it agrees to convert such sum into equity in P1 as and when either (i) GPB redeems the GCEB or (ii) the holder of the GCEB converts such GCEB into ordinary shares in GPB ("GPB Shares"). The Advance shall immediately be deemed repaid by P1 and discharged in full by GPB upon either:-

(aa) conversion of the Advance by GPB into equity in P1;

(bb) exchange of the GCEB by the holder of the GCEB into Class B Irredeemable Convertible Preference Shares of RM1.00 each in P1;

(cc) conversion of the GCEB by the holder of the GCEB into GPB Shares provided that the corresponding Advance is converted by GPB into equity in P1;

(dd) exchange of the GCEB by the holder of the GCEB with ordinary shares of P1 that are listed on a Relevant Stock Exchange (as the term "Relevant Stock Exchange" is defined under the Amended and Restated Trust Deed dated 12 June 2009 between GPB, P1 and the HSBC (Malaysia) Trustee Berhad, and the Second Amended and Restated Subscription Agreement dated 21 October 2008 between GPB, P1 and Intel Capital Corporation); or

(ee) exchange of the GCEB by the holder of the GCEB with ordinary shares in ListCo,

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR continued

and to the extent that any one or more of the events referred to in sub-clauses (aa) to (ee) above result in only a conversion or an exchange of the GCEB in part but not in whole, the Advance shall only be deemed repaid in part by P1 and discharged in part by GPB in proportion to the amount of the GCEB so converted or exchanged.

The Issuance was deemed completed on 30 July 2010.

(e) On 15 November 2010, the Company's subsidiaries, Green Packet Networks (Singapore) Pte. Ltd. ("GPNS") and One Vois Global Co., Ltd. ("OVG") had entered into a Shares Sale and Purchase Agreement with Mr. Prateep Prawattiyakul ("Prateep" or "Buyer") to sell to him an aggregate of 20,499 ordinary shares of par value Thai Baht ("THB") 100 each in One Vois Communication Co., Ltd. ("OVC") representing approximately 99.99% equity interest in OVC for a total cash consideration of THB100 (equivalent to approximately RM10) ("Sale Consideration") ("Disposal of OVC").

Upon completion of the Disposal on 15 November 2010, OVC ceased to be a subsidiary of GPNS and OVG, whereas Prateep became the sole shareholder of OVC.

45. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 17 February 2011, the Board had approved the extension of the duration of the existing ESOS which is expiring on 8 August 2011 for a further five (5) years to 8 August 2016.

(b) Green Packet (Australia) Pty. Ltd., a wholly owned subsidiary of GPB, had on 30 March 2011, incorporated a new wholly owned subsidiary in the United States of America known as Green Packet (US) LLC and having its registered office at 160, Greentree Drive, Suite 101 in the City of Dover, DE 19904 County of Kent, State of Delaware, California.

The authorised share capital of Green Packet (US) LLC is USD20.00 comprising 20 ordinary shares of USD1.00 each. The issued and paid-up capital of Green Packet (US) LLC is USD20.00 comprising of 20 ordinary shares of USD1.00 each. Its principal activity is marketing of wireless broadband equipment, systems and solutions.

46. PRIOR YEAR ADJUSTMENT

In the financial year ended 31 December 2009, plant and equipment of a subsidiary amounting to RM103,610,976 were acquired under deferred payment arrangement, where payment is due in 2012. Accordingly, the cost of the plant and equipment has now been adjusted to take into effect the difference between the cash price equivalent and the total payment due amounting to RM9,583,423.

The effect of the adjustments had the following impact on the financial statements of the previous year:

	Group 2009 RM
Statements of financial position	
Decrease in plant and equipment	(9,583,423)
Decrease in other payables and accruals	(9,583,423)

47. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the adoption of the amendments to FRS 117 - Leases and prior year adjustment as disclosed in Note 3(a)(iv) and Note 46 respectively to the financial statements:-

	As Restated RM'000	As Previously Reported RM'000
Consolidated Statement of Financial Position (Extract):-		
Property, plant and equipment	474,667	467,079
Intangible assets	39,951	9,500
Prepaid land lease payments	-	17,171
Other receivables	117,431	147,882
Other payables and accruals (Non-current liabilities)	(91,089)	(100,672)

48. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/ LOSSES

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group 2010 RM'000	The Company 2010 RM'000
Total (accumulated losses)/retained profits:		
- realised	(353,629)	(469)
- unrealised	17,438	(6,139)
	(336,191)	(6,608)
Total share of retained profits of associate:		
- realised	(29,733)	-
- unrealised	-	-
	(365,924)	(6,608)
Less: Consolidation adjustments	82,821	-
At 31 December	(283,103)	(6,608)

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	8 years	35,312,656

Analysis Of Shareholdings

As At 29 April 2011

Types of Securities	:	Ordinary share of RM0.20 each
Authorised Share Capital	:	RM400,000,000 of 2,000,000,000 ordinary shares of RM0.20 each
Issued and Paid-up Share Capital	:	RM131,550,657.80 comprising of 657,753,289 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 vote or on a poll, one vote for each share held
Number of Shareholders	:	7,959

DISTRIBUTION OF SHAREHOLDINGS

Range of shareholdings	No. of shareholders	% of shareholders	Total shareholdings	% of shareholdings#
1 - 99	183	2.30	8,311	0.00˜
100 - 1,000	825	10.37	658,711	0.10
1,001 - 10,000	4,446	55.86	23,407,128	3.58
10,001 - 100,000	2,201	27.65	66,237,974	10.14
100,001 - 32,652,277	299	3.76	150,067,384	22.98
32,652,278* and above	5	0.06	412,666,081	63.19
Total	**7,959**	**100.00**	**653,045,589#**	**100.00**

Notes:
˜ *Negligible*
* *5% of the issued share capital*
\# *Excludes 4,707,700 ordinary shares held as treasury shares.*

THIRTY LARGEST REGISTERED SHAREHOLDERS

	Name	No. of shares	%#
1.	ECML Nominees (Asing) Sdn. Bhd. *Pledged Securities Account for Green Packets Holdings Ltd. (001)*	171,207,771	26.22
2.	OSK Technology Ventures Sdn. Bhd.	105,904,275	16.22
3.	Cartaban Nominees (Asing) Sdn. Bhd. *SSBT Fund HG22 For SmallCap World Fund, Inc.*	52,599,216	8.05
4.	MIDF Amanah Investment Nominees (Asing) Sdn. Bhd. *Pledged Securities Account for Green Packet Holdings Ltd. (MGN-GPH001M)*	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.	JF Apex Nominees (Asing) Sdn. Bhd. *Pledged Securities Account for Green Packet Holdings Ltd.*	11,031,374	1.69
9.	JF Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chan Tuck Leong*	6,447,598	0.99
10.	Ong Lee Veng @ Ong Chuan Heng	5,000,000	0.77

Analysis Of Shareholdings

As At 29 April 2011

continued

THIRTY LARGEST REGISTERED SHAREHOLDERS continued

	Name	No. of shares	%#
11.	OSK Nominees (Tempatan) Sdn. Berhad *Pledged Securities Account for Puan Chan Cheong*	3,425,295	0.52
12.	HSBC Nominees (Asing) Sdn. Bhd. *AA Noms SG for YS Ltd.*	2,488,200	0.38
13.	Nora Ee Siong Chee	2,437,300	0.37
14.	HSBC Nominees (Asing) Sdn. Bhd. *AA Noms SG for JY Ltd.*	2,418,000	0.37
15.	Loh Teck Yen	2,050,000	0.31
16.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Mah Lily (E-BBB/SNG)*	2,000,000	0.31
17.	HDM Nominees (Asing) Sdn. Bhd. *Exempt for UOB Kay Hian (Hong Kong) Limited (Clients)*	1,847,250	0.28
18.	Tan Kin Lee	1,800,050	0.28
19.	HSBC Nominees (Asing) Sdn. Bhd. *AA Noms SG for YM Ltd.*	1,758,700	0.27
20.	HSBC Nominees (Asing) Sdn. Bhd. *AA Noms SG for YC Ltd.*	1,666,300	0.26
21.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Daywide Enterprise Sdn. Bhd. (PB)*	1,500,000	0.23
22.	AMSEC Nominees (Asing) Sdn. Bhd. *AmFraser Securities Pte. Ltd. for Lim Choon Bock (206558)*	1,271,200	0.19
23.	Khoo Su Chin	1,200,000	0.18
24.	Citigroup Nominees (Asing) Sdn. Bhd. *UBS AG Hong Kong for Gains Keeper Investment Inc.*	1,112,800	0.17
25.	JF Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Boon Hong*	1,105,800	0.17
26.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Eng Hock Seng @ Ong Seng Hock (Dealer 023)*	1,060,000	0.16
27.	Citigroup Nominees (Asing) Sdn. Bhd. *CBNY for Dimensional Emerging Markets Value Fund*	1,037,400	0.16
28.	OSK Nominees (Asing) Sdn. Berhad *Exempt An (BF) for OSK Securities Hong Kong Limited A/C Clients (Retail)*	1,012,500	0.16
29.	Nik Mat Bin Ismail	972,549	0.15
30.	HDM Nominees (Tempatan) Sdn. Bhd. *Phillip Securities Pte Ltd for Lum Ah Ying*	900,000	0.14

Analysis Of Shareholdings

As At 29 April 2011

continued

According to the Register of Substantial Shareholders required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:

Shareholders	Direct (A)		Indirect (B)			
	No. of shares	%#	No. of shares	%#	Total Interest	%#
Green Packet Holdings Ltd.	223,878,339	34.28	-	-	-	-
OSK Technology Ventures Sdn. Bhd.	105,904,275	16.22	-	-	-	-
SMALLCAP World Fund, Inc.	52,599,216	8.05	-	-	-	-
PacificQuest	41,315,625	6.33	-	-	-	-
Puan Chan Cheong	3,425,295	0.52	223,878,339 (1)	34.28	227,303,643	34.80
Tan Sri Dato' Kok Onn	-	-	223,878,339 (1)	34.28	-	-
OSK Venture International Berhad	-	-	105,904,275 (2)	16.22	-	-
Ong Leong Huat@ Wong Joo Hwa	-	-	105,904,275 (3)	16.22	-	-
Sedco International Holdings Ltd	-	-	41,315,625 (4)	6.33	-	-
AHL Holdings Company Limited	-	-	41,315,625 (5)	6.33	-	-

According to the register required to be kept under Section 134 of the Companies Act, 1965, the Directors' Interest in the shares, warrants and options of the Company and its related companies are as follows:

Directors	Direct		Indirect	
	No. of Shares	%#	No. of Shares	%#
Puan Chan Cheong	3,425,295	0.52	223,878,339(1)	34.28
Nik Mat Bin Ismail	1,120,362	0.17	-	-
Tan Sri Dato' Kok Onn	-	-	223,878,339(1)	34.28
Boey Tak Kong	676,000	0.10	-	-

Directors	Direct		Indirect	
	No. of Warrants	%	No. of Warrants	%
Puan Chan Cheong	1,241,765	0.63	-	-
Nik Mat Bin Ismail	146,787	0.07	-	-

Analysis Of Shareholdings

As At 29 April 2011

continued

Directors	Number of options over ordinary shares of RM0.20 each No. of option
Tan Sri Datuk Dr Haji Omar bin Abdul Rahman	132,041
Puan Chan Cheong	3,066,530
Nik Mat Bin Ismail	789,875
Tan Sri Dato' Kok Onn	157,875
Boey Tak Kong	106,207

Other than disclosed above, none of the other Directors hold any shares, warrants and options in the Company or its related companies.

Notes:

(1) *Deemed interested by virtue of their 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 Venture 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 Ltd.*

Analysis Of Warrantholdings

As At 29 April 2011

Types of Securities	:	Warrants 2009/2014
Date of Expiry	:	27 September 2014
Exercise Right	:	Each warrant entitles the registered holder to subscribe for one new ordinary share of RM0.20 each in the Company at an exercise price of RM0.95 per ordinary share
Voting Rights	:	One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANT HOLDINGS

Range of warrant holdings	No. of warrant holders	% of warrant holders	Total warrant holdings	% of warrant holdings
1 - 99	60	1.33	2,529	0.00˜
100 - 1,000	451	10.01	288,244	0.15
1,001 - 10,000	1,806	40.10	11,491,536	5.82
10,001 - 100,000	1,921	42.65	66,729,457	33.77
100,001 - 9,880,687	264	5.86	80,754,481	40.86
9,880,688*and above	2	0.04	38,347,528	19.41
Total	**4,504**	**100.00**	**197,613,775**	**100.00**

Notes:

˜ *Negligible*

* *5% of the issued warrants*

THIRTY LARGEST REGISTERED WARRANT HOLDERS

	Name	No. of warrants	% of warrant holdings
1.	OSK Technology Ventures Sdn. Bhd.	24,575,653	12.44
2.	PacificQuest	13,771,875	6.97
3.	Chang Chin Fooi	2,200,000	1.11
4.	Shirley Goh Cheah Hui	2,010,000	1.02
5.	Sim Seow Heng	2,000,000	1.01
6.	Chan Weng Sim	1,949,000	0.99
7.	Chan Weng Sim	1,565,000	0.79
8.	Lim Mei Choo	1,500,000	0.76
9.	Wong Yun Jong	1,391,100	0.70
10.	Sim Seow Heng	1,300,000	0.66
11.	Tan Kin Lee	1,250,050	0.63
12.	OSK Nominees (Tempatan) Sdn. Berhad *Pledged Account for Puan Chan Cheong*	1,241,765	0.63

Analysis Of Warrantholdings

As At 29 April 2011

continued

THIRTY LARGEST REGISTERED WARRANT HOLDERS

	Name	No. of warrants	% of warrant holdings
13.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Lee Peng (8059245)*	1,186,800	0.60
14.	Lim Lee Peng	1,121,400	0.57
15.	Lim Sze Hock	1,000,000	0.51
16.	Ong Yew Beng	1,000,000	0.51
17.	Affin Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Choon Teck (TAN0912C)*	900,000	0.46
18.	AMSEC Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chua Kim Boon*	897,000	0.45
19.	Tang Tong Seng	800,000	0.40
20.	Wong Yun Jong	778,600	0.39
21.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Foong Cheng Keat (CEB)*	730,000	0.37
22.	Wong Swee Ping	687,200	0.35
23.	Jee Tai Chew	675,000	0.34
24.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Lei Yee Leong (PB)*	670,000	0.34
25.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Sim Seow Heng (MPO127)*	650,000	0.33
26.	Law Siong Hiong	642,500	0.33
27.	HLG Nominee (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yeo Jin Hui*	600,000	0.30
28.	Tan Kok Keat	600,000	0.30
29.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Lei Yee Leong (T-071455)*	560,000	0.28
30.	Mayban Nominees (Tempatan) Sdn. Bhd. *Tan Kim Tat*	550,000	0.28

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Tenth 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 Friday, 24 June 2011 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 2010 together with the Reports of the Directors and the Auditors thereon. ***Refer to Explanatory Note A***

2. To approve the payment of Directors' fees of RM236,250 for the financial year ended 31 December 2010 (2009: RM225,000). ***Ordinary Resolution 1***

3. To re-elect the following Directors who are retiring pursuant to Article 86 of the Company's Articles of Association:

   - Mr Puan Chan Cheong; ***Ordinary Resolution 2***
   - Encik Nik Mat Bin Ismail; and ***Ordinary Resolution 3***
   - Encik A. Shukor Bin S.A. Karim. ***Ordinary Resolution 4***

4. To re-elect Mr Rami Bazzi, who is retiring pursuant to Article 92 of the Company's Articles of Association. ***Ordinary Resolution 5***

5. 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 6***

6. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 7***

Special Business

To consider and if thought fit, pass the following ordinary resolutions:

7. **Authority to Issue 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 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 8***

8. **Proposed Renewal of Authority to Directors on Purchase of the Company's Own Shares**

"THAT subject to Section 67A of the Companies Act, 1965 and Part IIIA of the Companies Regulations, 1966, provisions of the Company's Articles of Association and the requirements of Bursa Malaysia Securities Berhad 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 Malaysia Securities Berhad 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 share premium account of the Company. As of 31 December 2010, the share premium account of the Company was RM345,372,000;

(iii) the authority conferred by this resolution will commence immediately upon passing of this resolution and will expire at the conclusion of the next 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 Bursa Malaysia Securities Berhad 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 Bursa Malaysia Securities Berhad 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 Bursa Malaysia Securities Berhad 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 9

BY ORDER OF THE BOARD

LIM MING TOONG (MAICSA 7000281)
NG LAI YEE (MAICSA 7031768)
Company Secretaries

Kuala Lumpur
2 June 2011

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. *Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy but limited to three (3) proxies in respect of each Securities Account it holds with Securities of the Company standing to the credit of the said Securities Account.*

4. *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.*

5. *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 NOTE A

The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act 1965 does not require a formal approval of the shareholders and hence this item is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to issue shares up to ten percentum (10%) of the total issued share capital of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings.

   The purpose of this general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, funding future investment project(s), working capital and/or acquisitions.

   This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. No shares had been issued by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 29 June 2010.

2. The proposed Ordinary Resolution 9, 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 2 June 2011 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 22 to 25 of this Annual Report.

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 Tenth 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 Friday, 24 June 2011 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.	To approve the payment of Directors' fees of RM236,250 for the financial year ended 31 December 2010		
2.	Re-election of Mr Puan Chan Cheong as Director pursuant to Articles 86 of the Company's Articles of Association		
3.	Re-election of Encik Nik Mat Bin Ismail pursuant to Articles 86 of the Company's Articles of Association		
4.	Re-election of Encik A.Shukor Bin S.A. Karim pursuant to Articles 86 of the Company's Articles of Association		
5.	Re-election of Mr Rami Bazzi as Director pursuant to Articles 92 of the Company's Articles of Association		
6.	Re-appointment of Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman who retires pursuant to Section 129(6) of the Companies Act, 1965		
7.	Re-appointment of Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration		
8.	Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965		
9.	Proposed Renewal of Authority to Directors on Purchase of the Company's Own Shares		

(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.....2011

Number of shares held:
CDS Account No.:

.....
Signature/Common Seal of Shareholder

Fold Here

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. *Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy but limited to three (3) proxies in respect of each Securities Account it holds with Securities of the Company standing to the credit of the said Securities Account.*

4. *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.*

5. *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.*

Fold Here

Stamp

The Company Secretary

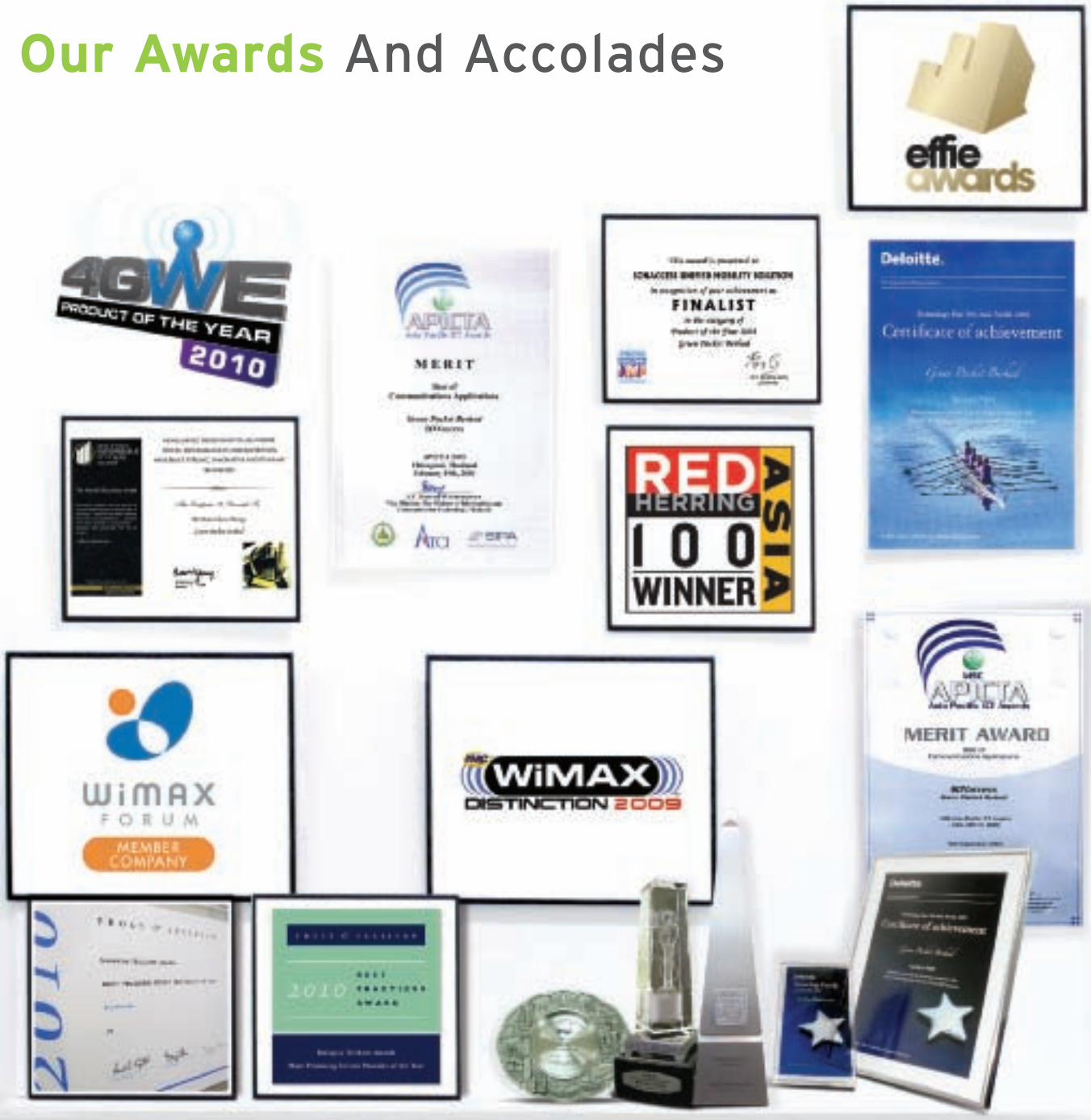
GREEN PACKET BERHAD

(534942-H)

10th Floor Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur

Fold Here

Our Awards And Accolades



- 4GWE 2010 - Product of the Year Awards for DX, UH & ICMP
- Frost & Sullivan 2010 - Most Promising Service Provider (P1)
- Effie Awards 2010 - Gold Winner (P1)
- 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

Malaysia Office

Green Packet Berhad
First Wireless Sdn Bhd
Packet One Sdn Bhd
Packet One Networks (Malaysia) Sdn Bhd
P1.Com Sdn Bhd
Millercom Sdn Bhd
RuumzNation Sdn Bhd
Packet Hub,
159, Jalan Templer
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Phone : +603 7947 1111
Fax : +603 7947 1128

Next Global Technology Sdn Bhd
Next Telecommunications Sdn Bhd
OneVois Sdn Bhd
Unit 1101, Block B
Pusat Dagangan Phileo Damansara 1
9, Jalan16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Phone : +603 7960 9899
Fax : +603 7955 2960

Shanghai Office

Green Packet (Shanghai) Ltd
2F, North Tower, 2966 Jinke Road
ZhangJiang Hi-Tech Park
Shanghai 201203
People's Republic of China
Phone : +86 21 5102 8028
Fax : +86 21 5130 6880

Taiwan Office

Green Packet Berhad, Taiwan Branch
Green Packet Networks (Taiwan) Pte Ltd
7F, 423, Rueiguang Road
Neihu District, Taiper City
11492 Taiwan
Phone : +886 2 2627 1355
Fax : +886 2 2627 2553

Bahrain Office

Green Packet Networks W.L.L.
Almoayed Tower, Suite 2803
Building 2504, Road 2832
Al-Seef 428, Bahrain
Phone : +973 17 560 500
Fax : +973 17 560 505

Singapore Office

NGT Networks Pte Ltd
Packet One International Pte Ltd
Green Packet Networks (Singapore) Pte Ltd
60, Kaki Bukit Place
#30 - 60, Eunos Techpark
Singapore 415979
Phone : +65 6513 2892
Fax : +65 6513 2893

Thailand Office

OneVois Global Co., Ltd
OneVois Communication Co., Ltd
56 Bisco Tower
16th Floor Room No. 56/22
Sup Road, Siphaya, Bangrak
Bangkok 10500
Thailand
Phone : +66 2 2382388
Fax : +66 2 2379534

www.greenpacket.com