

G NEPTUNE BERHAD
(Formerly known as GPRO TECHNOLOGIES BERHAD)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014
(The figures have not been audited)

	(Unaudited) AS AT <u>30-Sep-14</u> RM	(Audited) AS AT <u>31-Dec-13</u> RM
ASSETS		
Non-current assets		
Property, plant and equipment	15,488	120,416
Development expenditure	-	400,279
Goodwill on consolidation	-	-
	<u>15,488</u>	<u>520,695</u>
Current assets		
Inventories	-	191,933
Trade receivables	1,188,904	2,727,955
Other receivables, deposits and prepayments	3,844,402	508,265
Tax recoverable	39,607	39,607
Cash and cash equivalents	177,656	828,270
	<u>5,250,569</u>	<u>4,296,030</u>
TOTAL ASSETS	<u>5,266,057</u>	<u>4,816,725</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent:		
Share capital	8,662,500	8,250,000
Share premium	1,029,960	576,209
Capital reserve	622,480	622,480
Exchange translation reserve	2,003	291
Accumulated losses	(7,078,691)	(4,644,024)
	<u>3,238,252</u>	<u>4,804,956</u>
Non-controlling interests	-	(817,744)
Total equity	<u>3,238,252</u>	<u>3,987,212</u>
Current liabilities		
Trade payables	-	231,889
Other payables and accruals	2,023,139	426,884
Amount due to Directors	728	160,783
Finance lease liability	-	-
Tax payable	3,938	9,957
	<u>2,027,805</u>	<u>829,513</u>
Total liabilities	<u>2,027,805</u>	<u>829,513</u>
TOTAL EQUITY AND LIABILITIES	<u>5,266,057</u>	<u>4,816,725</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	1.88	1.90

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements

G NEPTUNE BERHAD
(Formerly known as GPRO TECHNOLOGIES BERHAD)
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

	3 months ended		9 Months ended	
	30/09/2014	30/09/2013	30/06/2014	30/09/2013
	RM	RM	RM	RM
Revenue	-	103,616	25,401	1,375,819
Cost of sales	-	(52,599)	(21,871)	(119,618)
Gross profit	-	51,017	3,530	1,256,201
Other income	-	48,798	300	173,468
Selling and distribution costs	-	(144,402)	(834)	(507,818)
Administration and other expenses	(202,753)	(603,017)	(1,571,669)	(1,931,586)
Other expenses	-	(563,244)	-	(1,790,679)
Finance cost	-	(9,656)	(1,257)	(12,296)
Operating profit/(loss) before tax	(202,753)	(1,220,504)	(1,569,930)	(2,812,710)
Loss on disposal of subsidiaries	-	-	(864,737)	-
Profit/(Loss) before tax	(202,753)	(1,220,504)	(2,434,667)	(2,812,710)
Income tax expense	-	-	-	-
Profit/(Loss) for the period	(202,753)	(1,220,504)	(2,434,667)	(2,812,710)
Attributable to:				
Owners of the Company	(202,753)	(1,101,840)	(2,434,667)	(2,373,983)
Non-controlling interests	-	(118,664)	-	(438,727)
	(202,753)	(1,220,504)	(2,434,667)	(2,812,710)
Earnings/(Loss) per ordinary share attributable to owners of the parent (sen)				
Basic	(0.05)	(0.06)	(0.08)	(0.51)
Diluted	-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

G NEPTUNE BERHAD
(Formerly known as GPRO TECHNOLOGIES BERHAD)
CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2014

(The figures have not been audited)

	Attributable to Equity Holders of the Parent		Distributable		Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Exchange Translation Reserve	Other Reserve			
	RM	RM	RM	RM	RM	RM	RM
9 months ended 30 SEPTEMBER 2014							
Balance at 1/1/2014	8,250,000	576,209	291	622,480	(4,644,024)	(817,744)	3,987,212
Issuance of Employee Share Option Scheme	412,500	453,571	-	-	-	-	866,251
Effect of disposal of subsidiary company	-	-	-	-	-	817,744	817,744
Foreign currency translation, representing net Loss for the period	-	-	1,712	-	-	-	1,712
					(2,434,667)	-	(2,434,667)
Balance at 30/09/2014	8,662,500	1,029,960	2,003	622,480	(7,078,691)	-	3,238,252
9 months ended 30 September 2013							
Balance at 1/1/2013	25,000,000	17,381,943	(5,634)	-	(34,407,429)	(177,956)	7,790,924
Par value reduction and share premium reduction	(17,500,000)	(17,381,943)	-	34,881,943	-	-	-
Realisation of reserve arising from par value reduction and share premium reduction	-	-	-	(33,839,040)	33,839,040	-	-
Foreign currency translation, representing net Loss for the period	-	-	9,273	-	-	-	9,273
					(2,373,983)	(438,727)	(2,812,710)
Balance at 30/09/2013	25,000,000	-	3,639	1,042,903	(2,942,372)	(616,683)	4,987,487

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

G NEPTUNE BERHAD (“GNB” OR “COMPANY”)

G NEPTUNE BERHAD
(FORMERLY KNOWN AS GPRO TECHNOLOGIES BERHAD)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

	9 months ended 30/9/2014 RM	9 months ended 30/9/2013 RM
Cash flow from operating activities		
Profit / (Loss) before taxation	(2,434,667)	(2,812,710)
<i>Adjustment for:</i>		
Amortisation of development expenditure	400,279	1,497,081
Depreciation	10,015	174,745
Property, plant and equipment written off	104,928	86,033
Interest expenses	1,257	12,296
Interest income	(300)	(1,598)
Loss on disposal of investment in subsidiaries	864,737	
Unrealised gain / (loss) on foreign exchange	(57,304)	(122,202)
Operating profit/(loss) before working capital changes	(908,302)	(1,166,355)
Changes in working capital:-		
Inventories	191,933	48,005
Receivables	(1,797,086)	(1,333,442)
Payables	1,204,311	536,783
Cash generated from operations	(1,511,897)	(1,915,009)
Tax paid	(6,019)	(689)
Net cash (used in)/generated from operating activities	(1,517,916)	(1,915,698)
Cashflow from investing activities		
Interest received	300	1,598
Purchase of property, plant and equipment	-	(90,557)
Disposal of subsidiary companies, net of cash outflow	6	-
	-	-
Net cash used in investing activities	306	(88,959)
Cashflow from financing activities		
Interest paid	(1,257)	(3,960)
Issue of ordinary shares	866,250	-
Drawdown of short term borrowings	-	212,458
Repayment of finance lease payables	-	(33,003)
Net cash used in financing activities	864,993	175,495
Net changes in cash and cash equivalents	(625,617)	(1,829,162)
Effect of exchange translation differences	2,003	489
Cash and cash equivalents at beginning of period	828,270	1,851,479
Cash and cash equivalents at end of period	177,656	22,806

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements,

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

The interim financial report is unaudited and is prepared in accordance with the requirements of the Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market. The interim financial report do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2013.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2013.

2. Change of company name

On 18 April 2014, the Company made an announcement on the proposed change of name of Company from “GPRO Technologies Berhad” to “G NEPTUNE BERHAD” (“Proposed Change of Name”). The proposed new name “G Neptune Berhad” was approved by the Companies Commission of Malaysia (“CCM”) on 11 April 2014.

The Proposed Change of Name was approved by the shareholders of the Company at the Eleventh Annual General Meeting held on 30 September 2014, and subsequently approved by the CCM on 17 July 2014 following the issuance of the Certificate of Incorporation on Change of Name by the CCM.

3. Audit report

The audit report of the Company’s preceding annual financial statements was not qualified.

4. Seasonal or Cyclical Factors

The business of the Company is not affected by any significant seasonal or cyclical factors.

5. Unusual items

There were no unusual items during this quarter affecting assets, liabilities, equity, net income or cash flow.

6. Valuation of Plant and Equipment

The Company did not revalue any of its plant and equipment during the quarter.

7. Taxation

	Current year quarter 30/09/2014 RM	Current year to date 30/09/2013 RM
Provision for current year	-	-

The Company is subject to income tax at Malaysian statutory rate of 25%. Geranium Limited is a subsidiary incorporated in Hong Kong and its taxable profits sourced in Hong Kong is subject to standard profit tax rate of 16.5%. First Podium Sdn Bhd is a subsidiary that are subject to income tax at Malaysian statutory rate of 25%. There was no provision for taxation for the Group and the Company as the Group and the Company have no chargeable income arising from the business source income.

7. **Changes in the Composition of the Group**

There were no changes in the long term investments, restructuring and discontinuing operations for the current financial period to date, except for:-

The Company had on 14 June 2013 entered into a Share Purchase Agreement with Welfare Holding Limited (“WHL”) for the proposed acquisition by GNB of an additional 245,000 ordinary shares of RM1.00 each in Maxbeauty Cosmetics Sdn Bhd [Company no. 967305-M] (“MCSB”), representing 49% of the total issued and paid-up share capital of MCSB for a cash consideration of RM650,000.00 (Ringgit Malaysia : Six Hundred and Fifty Thousand only).

Barring unforeseen circumstances, the Acquisition was expected to be completed upon the payment of the balance purchase consideration sum to be made within one hundred and twenty (120) days from the date of the Share Purchase Agreement dated 14 June 2013.

On 9 October 2013, GNB and WHL entered into a Supplemental Agreement to extend the completion date of the Proposed Acquisition for an additional six (6) months with effect from the date of the Supplemental Agreement (“Revised Completion Date”). The balance purchase consideration sum of Ringgit Malaysia One Hundred and Fifty Thousand (RM150,000.00) shall be payable on the Revised Completion Date. The extension was mainly due to negotiation between GNB and WHL.

On 16 May 2014, The Company made an announcement that with mutual consent from the Vendor, the Company has decided to abort the proposed acquisition of MCSB due to non-performance of MCSB.

The Company had on 17 June 2014 entered into a Share Purchase Agreement with Mr. Petrus Santoso for the disposal by GNB of the entire share capital of Worldwide Cosmetic Retail (HK) Limited for a cash consideration sum of HKD2.00 (equivalent to RM1).

The Company had on 19 June 2014 entered into a Share Purchase Agreement with Mr. Petrus Santoso for the disposal by GNB of the entire share capital of Worldwide Cosmetic Retail Sdn Bhd for a cash consideration sum of RM1.00.

On 20 June 2014, the Company entered into a Share Purchase Agreement with Mr. Petrus Santoso for the disposal by GNB of 51% of the share capital of Maxbeauty Cosmetics Sdn Bhd, consisting of 255,000 ordinary shares of RM1.00, for a cash consideration sum of RM1.00.

8. **Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities during the current quarter under review.

9. **Company Borrowings and Debt Securities**

Bank borrowing as at the end of the quarter:-

	RM
Short Term Borrowing	
Finance lease liability	-
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Long Term Borrowing	
Finance lease liability	-
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10. **Contingent Liabilities and Contingent Assets**

There were no contingent liabilities and contingent assets entered into by the Company during the quarter under review.

11. **Review of Performance**

The Group did not record any revenue and recorded a pre-tax loss of RM0.2 million in the current quarter ended 30 September 2014 as compared to revenue of RM0.1 million and a pre-tax loss of RM1.220 million reported in the preceding year corresponding quarter. There is no revenue generated in this quarter because the Group are in the process of bringing in new business opportunities after the disposal of the beauty product segment.

12. **Current Year’s Prospects**

The Board expects the performance of the Group for the current financial year ending 31 December 2014 to be challenging in view of the current global economic conditions. The performance of the Group will depend substantially on the market demand, operating efficiencies and cost control measures of its various divisions. In the meantime, the Board is actively looking for new business activities which are favourable to the group.

13. **Profit Forecast and Profit Guarantee**

Not applicable.

14. **Changes in Estimates**

There were no changes in estimates of amounts reported during this quarter.

15. **Segmental Information**

Segment Results

The segmental revenue and results for the current quarter and the cumulative ended 30 SEPTEMBER 2014 are as follows:-

	Revenue		Results	
	Current year quarter 30 Sep 2014 RM	Current year to-date 30 Sep 2014 RM	Current year quarter 30 Sep 2014 RM	Current year to-date 30 Sep 2014 RM
Investment holding and information technology	0	0	0	0
Skincare and cosmetic products	0	25,401	(202,753)	(2,433,410)
	<u>0</u>	<u>25,401</u>		
Operating (loss) / profit			(202,753)	(2,433,410)
Finance cost			-	(1,257)
(Loss) / Profit before taxation			<u>(202,753)</u>	<u>(2,434,667)</u>

Segment Assets

The total of segment assets is measured based on all assets excluding deferred tax assets and cash and cash equivalents.

	Assets	
	30 Sep 2014 RM	31 Dec 2013 RM
Investment holding and information technology	15,488	3,703,284
Skincare and cosmetic products	0	1,331,927
Others	5,072,913	0
	<u>5,088,401</u>	<u>5,035,211</u>

16. **Subsequent Events**

There were no materials events subsequent to the end of the quarter reported and as at the date of issuance of this report.

17. **Capital Commitments**

There are no material commitments which require disclosure during the quarter.

18. **Material Litigation**

The Company is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Company as at the date of this report.

20. **Earnings per Share**

a) Basic

The earnings per share was calculated by dividing the profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL AND CUMULATIVE PERIOD TO DATE	
	Current year Quarter 30/9/2014 RM	Current year to Date 30/9/2014 RM
Profit/(Loss) attributable to equity holders of the parent (RM)	(202,752)	(2,434,667)
Weighted average number of ordinary shares	279,430,556	279,430,556
Basic Profit / (Loss) per share (sen)	(0.007)	(0.09)

b) Diluted

Since the diluted earnings per share increased when taking the ESOS into account as the market price is lower than the exercise price, the ESOS is anti-dilutive and is ignored in the calculation of diluted earnings per share.

21. **Dividends paid**

There were no dividends paid during the quarter under review.

22. **Dividend payable**

No dividend has been declared for the current quarter.

23. **Notes to the statement of comprehensive income**

Profit/(Loss) of the period/year is arrived at after charging/(crediting):

	Current year quarter 30/9/2014 RM	Current year to date 30/9/2014 RM
Interest income	-	(300)
Interest expense	-	1,257
Depreciation and amortization	-	410,294
Property, plant and equipment written off	-	104,928
Foreign exchange gain or loss	2,003	59,307
Loss on disposal of investment in subsidiary companies	-	864,737

24. **Disclosure of realised and unrealised profits/losses**

With the purpose of improving transparency, Bursa Malaysia Securities Berhad had on 25 March 2010 and 20 December 2010 issued directives requiring all listed corporations to disclose the breakdown of unappropriated profit or accumulated losses into realised and unrealised on group and company basis, as the case may be, in quarter reports and annual audited financial statements.

The accumulated losses of the Group as at the reporting date may be analysed as follows:-

	Group 30/9/2014 RM	Group 31/12/2013 RM
- Realised	(10,706,547)	(9,947,713)
Consolidation adjustments	3,627,856	5,303,689
	<u>(7,078,691)</u>	<u>(4,644,024)</u>