

G NEPTUNE BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	(Audited)
	AS AT	AS AT
	31-Dec-18	30-Jun-18
	RM	RM
ASSETS		
Non-current assets		
Development expenditure	-	-
	-	-
Current assets		
Trade receivables	-	-
Deposits and prepayments	5,707	5,707
Tax recoverable	39,607	39,607
Cash and bank balance	9,978	9,883
	55,292	55,197
TOTAL ASSETS	55,292	55,197
 EQUITY AND LIABILITIES		
Equity attributable to owners of the parent:		
Share capital	9,792,835	9,792,835
Reserves	(13,517,036)	(12,843,494)
Total equity	(3,724,201)	(3,050,659)
Current liabilities		
Other payables and accruals	2,767,773	2,793,294
Amount due to directors	1,011,310	312,164
Tax payable	410	398
Total liabilities	3,779,493	3,105,856
TOTAL EQUITY AND LIABILITIES	55,292	55,197
Net assets per share attributable to ordinary equity holders of the parent (sen)	(1.2898)	(1.0565)

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

G NEPTUNE BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	3 months ended		Cumulative quarters	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM	RM	RM	RM
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	(89,338)	-	-
Administration and other expenses	(195,353)	(162,737)	(566,259)	(407,657)
Other expenses	-	-	-	-
Finance cost	(12,953)	-	(35,977)	-
Operating loss before tax	(208,306)	(252,075)	(602,236)	(407,657)
Income tax expense	-	-	-	-
Loss for the period	(208,306)	(252,075)	(602,236)	(407,657)
Other comprehensive income, net of tax	(71,306)	218,622	(71,306)	218,622
Total comprehensive loss for the period	(279,612)	(33,453)	(673,542)	(189,035)
Loss per ordinary share attributable to owners of the parent (sen)				
Basic	(0.07)	(0.09)	(0.21)	(0.14)
Diluted	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

G NEPTUNE BERHAD
CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY FOR THE FINANCIAL PERIOD
ENDED 31 DECEMBER 2018

(The figures have not been audited)

← Attributable to the owners of the Company →

	Share Capital RM	Foreign Currency Translation Reserve RM	Capital Reserve RM	Accumulated Losses RM	Total RM	Total Equity RM
Balance as at 1/7/2018	9,792,835	(635,359)	622,480	(12,830,615)	(12,843,494)	(3,050,659)
Fgn currency translation reserve	-	(71,306)	-	-	(71,306)	(71,306)
Loss for the period	-	-	-	(602,236)	(602,236)	(602,236)
Balance as at 31/12/2018	9,792,835	(706,665)	622,480	(13,432,851)	(13,517,036)	(3,724,201)
Balance as at 1/7/2017	9,792,835	(786,193)	622,480	(12,092,665)	(2,463,543)	(2,463,543)
Fgn currency translation reserve	-	218,622	-	-	218,622	218,622
Loss for the period	-	-	-	(407,657)	(407,657)	(407,657)
Balance as at 31/12/2017	9,792,835	(567,571)	622,480	(12,500,322)	(2,652,578)	(2,652,578)

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

G NEPTUNE BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
(The figures have not been audited)

	6 months ended 31/12/2018 RM	6 months ended 31/12/2017 RM
Cash flow from operating activities		
Loss before taxation	(602,236)	(407,656)
	(602,236)	(407,656)
<i>Adjustment for:</i>		
Interest expenses	35,977	-
	(566,259)	(407,656)
Operating loss before working capital changes		
Changes in working capital:-		
Receivables	-	(5,466)
Payables	(130,344)	168,670
	(696,603)	(244,452)
<i>Cash from / (used in) operations</i>		
Tax refund/(paid)	-	-
<i>Net cash from / (used in) operating activities</i>	(696,603)	(244,452)
Cashflow from investing activities		
Interest received	-	-
<i>Net cash(used in)/from investing activities</i>	-	-
Cashflow from financing activities		
Advances from Directors	694,695	-
<i>Net cash from financing activities</i>	694,695	-
Net changes in cash and cash equivalents	(1,908)	(244,452)
Effect of exchange translation differences	2,003	218,599
Cash and cash equivalents at beginning of period	9,883	33,617
Cash and cash equivalents at end of period	9,978	7,764

The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 30 June 2018 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 Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and Rule 9.22 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 30 June 2018.

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 30 June 2018.

2. Audit report

There was no opinion expressed as the auditor have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the audited financial statements of the Company for the financial year ended 30 June 2018.

The ability of the Group and of the Company to continue as going concern is dependent on the formalization and successful implementation of the regularisation plan of the Company to restore its financial position and achieving sustainable and viable operations. The auditor was unable to obtain sufficient appropriate audit evidence to evaluate the appropriateness of management’s use of going concern basis of accounting. Therefore, the auditor is not able to form an opinion as to whether the use of going concern assumption in the preparation of the accompanying financial statements of the Group and the Company is appropriate.

3. Seasonal or Cyclical Factors

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

4. Unusual items

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

5. Valuation of Plant and Equipment

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

6. Taxation

	Current year quarter 31 Dec 2018 RM	Current year to-date 31 Dec 2018 RM
Provision for current year	-	-

The Company is subject to income tax at Malaysian statutory rate of 24%. 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%. 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.

G NEPTUNE BERHAD (“GNB” OR “THE COMPANY”)

7. Status of corporate proposals

On 30 November 2017, the Board of Directors of GNB announced that the Company is an affected listed issuer (“First Announcement”) as it had triggered the criteria prescribed under Rules 2.1(a) and (b) pursuant to Guidance Note 3 (“GN3”) of the ACE Market Listing Requirements (“ACE LR”) of Bursa Securities whereby:

- i) the shareholders’ equity of the Company was less than 25% of its share capital; and
- ii) the Company also incurred loss for 1 full financial year after its listing, which exceeded the amount of its shareholders’ equity at the end of the financial period ended 30 September 2017 and the shareholders’ equity was less than 50% of the share capital of the Company at the end of the said financial year.

Accordingly, GNB is to undertake a proposed regularisation plan (“Proposed Regularisation Plan”) and to submit the Proposed Regularisation Plan to Bursa Securities within 12 months from the date of its First Announcement, i.e. by 30 November 2018.

On 14 November 2018, Kenanga Investment Bank Berhad had, on behalf of the Board of Directors of the Company, submitted an application to Bursa Securities seeking its approval for a proposed extension of time of up to 31 May 2019 for the Company to submit a regularisation plan to Bursa Securities. Bursa Securities, 28 November 2018, granted an extension of time for the submission of a regularisation plan to 31 May 2019.

8. Changes in the Composition of the Group

There were no changes in the composition during the period.

9. Debt and Equity Securities

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

10. Company Borrowings and Debt Securities

There were no additional borrowings during the current quarter under review. After further examination, the Company wishes to inform that its wholly owned subsidiary, Geranium Limited (incorporated in Hong Kong), have defaulted on the payment of principal and/or interest in respect of the loan facilities granted to Geranium Limited. In previous financial period/year, the Group made errors on the i) calculation on the interest accrual for default interest of RM97,696 and RM119,062 for the financial period/year ended 30 June 2017 and 1 January 2016 respectively and ii) calculation on the foreign currency translation reserves of RM25 and RM13,014 for the financial period/year ended 30 June 2017 and 1 January 2016 respectively.

Details of the loans are as follows	Total Principal and Interest (Hong Kong Dollar)	Total Principal and Interest (RM)	Maturity Date
1. Daily Loyal Limited (HK Incorporated)	2,417,815	1,277,645	8 July 2014
2. Giant Master Limited (Samoa Incorporated)	581,300	307,176	1 January 2018
3. Premium Energy International Limited (BVI Incorporated)	202,668	107,096	24 January 2018
Total	3,201,783	1,691,917	
	As at 31 December 2018		
		Secured	Unsecured
		RM	RM
Amount repayable in one year or less, or on demand		307,176	1,384,741
Total		307,176	1,384,741

All borrowings are dominated in Hong Kong Dollar.

G NEPTUNE BERHAD (“GNB” OR “THE COMPANY”)

Of the 3 loans above, GNB is only guarantor to the loan with Giant Master Limited.

On 30 August 2018, the Company had announced that, Geranium Limited (“GL”), a wholly-owned subsidiary of the Company had defaulted the entire repayment of principal sums and interest in respect of the loans granted to GL since 8 July 2014, 1 January 2018 and 24 January 2018 respectively. Accordingly, these loans and interest payables of the Group amounting to RM1,061,199 and RM543,923 have been classified as short-term loans, as it is deemed to be payable immediately.

In addition, the Company also provided a corporate guarantee of a loan granted to GL amounted to RM257,073. Accordingly, the Company has provided a provision of corporate guarantee crystallised in relation to the loan and interest defaulted by GL amounted to RM297,904.

Subsequently on 3 September 2018, the Company had announced that it had triggered an additional prescribed criteria pursuant to Paragraph 2.1(h) of GN3 of the ACE LR of Bursa Securities.

11. **Contingent Liabilities and Contingent Assets**

Save as disclosed in Section 10 that the loan from Giant Master Limited is guaranteed by the Company, there were no other contingent liabilities and contingent assets entered into the Company during the quarter under review.

12. **Review of Performance**

The Group recorded nil revenue for the current financial quarter ended 31 December 2018 as it has wound down all of its operations.

The Group recorded loss for the period of RM208,306 in the current financial quarter ended 31 December 2018 as compared to loss for the period of RM393,929 in the preceding financial quarter ended 30 September 2018. The decrease was mainly due to lower professional fees incurred in the current quarter as compared to the previous quarter due to the Group’s rationalisation and regularisation exercise.

The Group recorded nil revenue and pre-tax loss of RM602,236 in the current period ended 31 December 2018 as compared to the pre-tax loss of RM407,657 in the previous period ended 31 December 2017. The increase in administrative expenses was due to the increase in professional fees incurred in relation to regularisation plan in the current quarter. The pre-tax loss was mainly due to administrative and other expenses and finance cost incurred. Currently, the Group does not have any operation and is dormant.

13. **Current Year’s Prospects**

The Group has wound down all of its existing operations and the Board continues to focus on a rationalisation plan for the Company. The Company is required to submit its regularisation plan to the relevant authorities by 31 May 2019. The Company is currently evaluating its options to formulate a regularisation plan to address the GN3 status.

14. **Profit Forecast and Profit Guarantee**

Not applicable.

15. **Changes in Estimates**

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

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G NEPTUNE BERHAD (“GNB” OR “THE COMPANY”)

16. **Segmental Information**

Segment Results

The segmental revenue and results for the current quarter and the cumulative ended 31 December 2018 are as follows:-

	Revenue		Results	
	Current year quarter 31 Dec 2018 RM	Current year to-date 31 Dec 2018 RM	Current year quarter 31 Dec 2018 RM	Current year to-date 31 Dec 2018 RM
Investment holding, information technology	-	-	(195,353)	(566,259)
Apparel products/Electronic equipment	-	-	-	-
	-	-	(195,353)	(566,259)
Operating loss			(12,953)	(35,977)
Finance cost			(208,306)	(602,236)
Loss before taxation				

Segment Assets

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

	Assets	
	31 Dec 2018 RM	30 Jun 2018 RM
Investment holding, information technology and apparel products	5,707	5,707
Others	-	-
	5,707	5,707

17. **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.

18. **Capital Commitments**

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

19. **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.

G NEPTUNE BERHAD (“GNB” OR “THE COMPANY”)

20. **Loss per Share**

(i) Basic

The loss per share was calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL AND CUMULATIVE PERIOD TO DATE	
	Current year Quarter 31/12/2018 RM	Current year to Date 31/12/2018 RM
Loss attributable to equity holders of the parent (RM)	(208,306)	(602,236)
Weighted average number of ordinary shares	288,750,000	288,750,000
Basic loss per share (sen)	(0.07)	(0.21)

(ii) Diluted

Diluted loss per ordinary share for the financial year/period is calculated by dividing the loss for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

Diluted loss per share is not applicable for the current financial period and previous financial period as there is no dilutive potential equity instruments that would give a diluted effect to the basic loss per ordinary 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**

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

	Current year quarter 31/12/2018 RM	Current year to date 31/12/2018 RM
Interest expense	12,953	35,977

Other than the items highlighted above which have been included in the Condensed Consolidated Statement of Income, no other additional disclosures item in relation to Rule 16 of Appendix 9B Chapter 9 of the ACE LR were incurred for the current quarter and period ended 31 December 2018.