

G NEPTUNE BERHAD

Registration No: 200301019817 (622237-D)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) AS AT 30-Jun-20	(Audited) AS AT 30-Jun-19
	<u>RM</u>	<u>RM</u>
ASSETS		
Non-current assets		
Development expenditure	-	-
	<u>-</u>	<u>-</u>
Current assets		
Trade receivables	-	-
Deposits and prepayments	-	-
Tax recoverable	39,607	39,607
Cash and bank balances	10,137	9,982
	<u>49,744</u>	<u>49,589</u>
TOTAL ASSETS	<u>49,744</u>	<u>49,589</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent:		
Share capital	9,792,835	9,792,835
Reserves	(16,143,969)	(13,923,150)
Total equity	<u>(6,351,134)</u>	<u>(4,130,315)</u>
Current liabilities		
Other payables and accruals	4,533,943	3,058,398
Amount due to directors	1,866,506	1,121,096
Tax payable	429	410
Total liabilities	<u>6,400,878</u>	<u>4,179,904</u>
TOTAL EQUITY AND LIABILITIES	<u>49,744</u>	<u>49,589</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	(2.1995)	(1.4304)

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No: 200301019817 (622237-D)

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

	3 months ended		Cumulative quarters	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	RM	RM	RM	RM
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	-	-	-
Administration and other expenses	(626,890)	(174,852)	(1,886,361)	(812,173)
Other expenses	(10,830)	(27,083)	(10,830)	(13,379)
Finance cost	(50,901)	(122,952)	(198,242)	(176,716)
Operating loss before tax	(688,621)	(324,887)	(2,095,433)	(1,002,268)
Income tax expense	-	-	-	-
(Loss)/Profit for the period	(688,621)	(324,887)	(2,095,433)	(1,002,268)
Other comprehensive income/(loss), net of tax	19,504	(43,588)	(125,388)	(77,388)
Total comprehensive loss for the period	(669,117)	(368,475)	(2,220,819)	(1,079,656)
Loss/earnings per ordinary share attributable to owners of the parent (sen)				
Basic	(0.24)	(0.11)	(0.73)	(0.35)
Diluted	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No: 200301019817 (622237-D)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

(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 at 1/7/2019	9,792,835	(712,747)	622,480	(13,832,883)	(13,923,150)	(4,130,315)
Foreign currency translation reserve	-	(125,386)	-	-	(125,386)	(125,386)
Loss for the period	-	-	-	(2,095,433)	(2,095,433)	(2,095,433)
Balance at 30/6/2020	9,792,835	(838,133)	622,480	(15,928,316)	(16,143,969)	(6,351,134)
Balance at 1/7/2018	9,792,835	(635,359)	622,480	(12,830,615)	(12,843,494)	(3,050,659)
Foreign currency translation reserve	-	(77,388)	-	-	(77,388)	(77,388)
Loss for the period	-	-	-	(1,002,268)	(1,002,268)	(1,002,268)
Balance at 30/6/2019	9,792,835	(712,747)	622,480	(13,832,883)	(13,923,150)	(4,130,315)

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No: 200301019817 (622237-D)

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

	12 months ended 30/6/2020 RM	12 months ended 30/6/2019 RM
Cash flow from operating activities		
Loss before taxation	(2,095,433)	(1,002,268)
	(2,095,433)	(1,002,268)
<i>Adjustment for:</i>		
Interest expenses	198,242	176,716
Impairment loss on deposits	-	5,707
Impairment of GST Receivables	10,830	7,672
	(1,886,361)	(812,173)
<i>Operating loss before working capital changes</i>		
Changes in working capital:-		
Receivables	(10,830)	-
Payables	1,159,280	11,276
	(737,911)	(800,897)
<i>Cash from / (used in) operations</i>		
Tax refund/(paid)	-	-
	(737,911)	(800,897)
<i>Net cash used in operating activities</i>		
Cashflow from investing activities		
Interest received	-	-
<i>Net cash(used in)/from investing activities</i>	-	-
Cashflow from financing activity		
Advances from a Director	737,988	804,229
	737,988	804,229
<i>Net cash from financing activity</i>		
Net changes in cash and cash equivalents	77	3,332
Effect of exchange translation differences	78	(3,233)
Cash and cash equivalents at beginning of period	9,982	9,883
	10,137	9,982
Cash and cash equivalents at end of period		

The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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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 A C E M a r k e t Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”). The interim financial report does 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 2019.

The accounting policies and methods of computation adopted by GNB and its subsidiary (“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 2019.

2. Auditors’ Report on Preceding Annual Financial Statements

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 2019.

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.

Where the audit report of the corporation’s preceding annual financial statements was qualified, disclosure of the qualification and the current status of the matter(s) giving rise to the qualification for the current quarter and financial year to date.

3. Seasonal or Cyclical Factors

The business of the Company is not affected by any significant seasonal or cyclical factors as the Group has wound down all of its operations.

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 30 Jun 2020 RM	Current year to-date 30 Jun 2020 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

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of 8.25% for the first HKD2 million and subsequent profits at 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.

7. Status of corporate proposals

On 30 November 2017, the Board of Directors of GNB (“Board”) 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 Listing Requirements 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, 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 had on 28 November 2018, granted an extension of time for the submission of a regularisation plan to 31 May 2019.

On 15 May 2019, the Board announced that the Company had entered into the following:

- (i) memorandum of understanding with the only shareholder of Octopus namely Octopus Asia Holding Pte Ltd (“**Octopus Vendor**”) who holds 100% equity interest in Octopus Global Hldgs Pte Ltd (“**Octopus**”), for the proposed acquisition of 100% equity interest in Octopus; and
- (ii) memorandum of understanding with the shareholders of Luen Heng F&B Sdn Bhd (“**Luen Heng**”) namely Capriwood Sdn Bhd and Octopus Investment Pte Ltd (“**Luen Heng Vendors**”, collectively) who collectively hold 100% equity interest in Luen Heng, for the proposed acquisition of 100% equity interest in Luen Heng.

(“**MOUs**”, collectively)

(GNB, Octopus Vendor and Luen Heng Vendors are collectively referred to as “**Parties**”).

The purpose of the MOUs are to outline the salient terms in relation to, *inter alia*, the definitive agreements (“**Definitive Agreements**”) between GNB, Octopus Vendor and Luen Heng Vendors, as the case may be. The MOUs are to provide GNB, Octopus Vendor and Luen Heng Vendors an avenue to take discussions on a non-binding basis for an entry into the Definitive Agreements to reflect the terms and conditions of the MOUs or otherwise agreed by GNB, Octopus Vendor and Luen Heng Vendors, as the case may be.

On 16 May 2019, Kenanga Investment Bank Berhad had, on behalf of the Board, submitted an application to Bursa Securities seeking its approval for a proposed further extension of time of up to 30 November 2019 for the Company to submit a regularisation plan to Bursa Securities. Bursa Securities had on 25 June 2019, granted a further extension of time for the submission of a regularisation plan to 30 November 2019.

On 14 August 2019, the Board announced that the Parties had on 14 August 2019, mutually agreed in writing to extend the expiry dates of the MOUs for a further period of 3 months to 14 November 2019 in accordance with the terms and conditions of the MOUs. Subsequently, on 7 November 2019, the Board announced that the Parties had on 7 November 2019, mutually agreed in writing to further extend the expiry dates of the MOUs for a further period of 3 months to 14 February 2020 in accordance with the terms and conditions of the MOUs.

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On 19 November 2019, Kenanga Investment Bank Berhad had, on behalf of the Board, submitted an application to Bursa Securities seeking its approval for a proposed further extension of time of up to 31 January 2020 for the Company to submit a regularisation plan to Bursa Securities. Bursa Securities had on 11 December 2019, granted a further extension of time for the submission of a regularisation plan to 31 January 2020.

On 16 January 2020, Kenanga Investment Bank Berhad had, on behalf of the Board, announced that the Company proposed to undertake the Proposed Regularisation Plan to regularise the financial position of the Company. Subsequently, on 30 January 2020, an application in relation to the Proposed Regularisation Plan has been submitted to Bursa Securities.

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. GNB’s 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.

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)	2,907,562	1,608,064	8 July 2014
2. Giant Master Limited (Samoa Incorporated)	849,507	469,830	1 January 2018
3. Premium Energy International Limited (BVI Incorporated)	79,570	44,007	24 January 2018
Total	3,836,639	2,121,901	

	As at 30 June 2020	
	Secured RM	Unsecured RM
Amount repayable in one year or less, or on demand	-	2,121,901
Total	-	2,121,901

All borrowings are short term borrowings and dominated in Hong Kong Dollar.

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. These loans have been classified as short-term loans, as they are deemed to be payable immediately. As at 30 June 2020, the loans and interest payables of the Group amount to RM1,141,521 and RM980,380.

In addition, the Company also provided a corporate guarantee on 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 RM469,830.

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 Listing Requirements.

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

(a) Comparison of current financial quarter ended 30 June 2020 vs preceding financial quarter 31 March 2020

The Group recorded nil revenue for the current financial quarter ended 30 June 2020 and the preceding financial quarter ended 31 March 2020 as it has wound down all of its operations. The Group recorded loss before tax of RM688,621 in the current financial quarter ended 30 June 2020 as compared to loss before tax of RM1,046,191 in the preceding financial quarter ended 31 March 2020. The decrease is mainly due to lower professional fees incurred in relation to the regularisation plan compared to the previous quarter. The professional fees were charged based on the progressive milestones.

(b) Comparison of current financial quarter / year ended 30 June 2020 vs preceding year corresponding quarter / year ended 30 June 2019

The Group recorded nil revenue for the current financial quarter ended 30 June 2020 and the preceding year corresponding quarter ended 30 June 2019 as the Group had ceased its operations. The Group recorded a pre-tax loss of RM688,621 in the current financial quarter ended 30 June 2020 which was mainly arising from the professional fees that were charged based on the progressive milestones as well as finance cost incurred. The Group incurred a pre-tax loss of RM324,887 in the preceding year corresponding quarter ended 30 June 2019 which is mainly arising from the professional fees that were charged based on the progressive milestones and finance cost incurred.

The Group recorded nil revenue in the current period ended 30 June 2020 and the preceding period ended 30 June 2019 as the Group had ceased its operation. The Group recorded a pre-tax loss of RM2,095,433 in the current financial year ended 30 June 2020 as compared to the pre-tax loss of RM1,002,268 in the previous financial year ended 30 June 2019. The higher pre-tax loss was mainly contributed by the increase in professional fees incurred in relation to the regularisation plan which were charged based on the progressive milestones.

The pre-tax loss for the current quarter and period ended 30 June 2020 mainly due to the professional fees incurred in relation to the Proposed Regularisation Plan whereby, an application was submitted to Bursa Securities on 30 January 2020, as well as the 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 will continue to focus on the Proposed Regularisation Plan. As set out in Section 7 of this report, on 16 January 2020, Kenanga Investment Bank Berhad had, on behalf of the Board, announced that the Company proposed to undertake the Proposed Regularisation Plan to regularise the financial position of the Company. Subsequently, on 30 January 2020, an application in relation to the Proposed Regularisation Plan has been submitted to Bursa Securities.

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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16. **Segmental Information**

Segment Results

The segmental revenue and results for the current quarter and the cumulative ended 30 June 2020 are as follows:-

	Revenue		Results	
	Current year quarter 30 June 2020 RM	Current year to-date 30 June 2020 RM	Current year quarter 30 June 2020 RM	Current year to-date 30 June 2020 RM
Investment holding, information technology	-	-	(637,720)	(1,897,191)
Apparel products/Electronic equipment	-	-	-	-
	-	-	(637,720)	(1,897,191)
Operating loss			(50,901)	(198,242)
Finance cost			(688,621)	(2,095,433)
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	
	30 June 2020 RM	30 June 2019 RM
Investment holding, information technology and apparel products	-	-
Others	-	-
	-	-

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.

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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 30/6/2020 RM	Current year to Date 30/6/2020 RM
Loss attributable to equity holders of the parent (RM)	(688,621)	(2,095,433)
Weighted average number of ordinary shares (unit)	288,750,000	288,750,000
Basic loss per share (sen)	(0.24)	(0.73)

(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:

	Current year quarter 30/6/2020 RM	Current year to date 30/6/2020 RM
Interest expense	50,901	198,242

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 Listing Requirements were incurred for the current quarter and period ended 30 June 2020.