

G NEPTUNE BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	(Audited)
	AS AT	AS AT
	31-Dec-21	30-Jun-21
	RM	RM
ASSETS		
Current assets		
Cash and bank balance	6,530	10,019
TOTAL ASSETS	6,530	10,019
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent:		
Share capital	9,792,835	9,792,835
Reserves	(15,386,488)	(18,038,586)
Total equity	(5,593,653)	(8,245,751)
Current liabilities		
Other payables and accruals	1,368,514	5,318,758
Amount due to directors	4,231,669	2,936,597
Tax payable	-	415
Total liabilities	5,600,183	8,255,770
TOTAL EQUITY AND LIABILITIES	6,530	10,019
Net assets per share attributable to ordinary equity holders of the parent (sen)	(1.94)	(2.86)

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2021 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	
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
	RM	RM	RM	RM
Other income	2,279,986	-	2,279,986	-
Administration and other expenses	(133,806)	(250,266)	(368,783)	(772,432)
Other expenses	-	(39,607)	-	(39,607)
Finance cost	-	(48,938)	-	(99,022)
Operating profit/(loss) before tax	<u>2,146,180</u>	<u>(338,811)</u>	<u>1,911,203</u>	<u>(911,061)</u>
Income tax expense	-	-	-	-
Profit/(Loss) for the period	<u><u>2,146,180</u></u>	<u><u>(338,811)</u></u>	<u><u>1,911,203</u></u>	<u><u>(911,061)</u></u>
Other comprehensive (loss)/income, net of tax	890,462	93,496	740,895	182,344
Total comprehensive income/(loss) for the period	3,086,490	(245,315)	2,652,098	(728,717)
Earnings/(Loss) per ordinary share attributable to owners of the parent (sen)				
Basic	0.74	(0.12)	0.66	(0.32)
Diluted	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2021 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 2021
(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 1/7/2021	9,792,835	(740,895)	622,480	(17,920,171)	(18,038,586)	(8,245,751)
Foreign currency translation differences for foreign operation	-	(16,908)	-	-	(16,908)	(16,908)
Reclassification adjustment on derecognition of a foreign operation		757,803			757,803	757,803
Profit for the period	-	-	-	1,911,203	1,911,203	1,911,203
Balance at 31/12/2021	9,792,835	-	622,480	(16,008,968)	(15,386,488)	(5,593,653)
Balance at 1/7/2020	9,792,835	(838,133)	622,480	(15,928,316)	(16,143,969)	(6,351,134)
Foreign currency translation differences for foreign operation	-	97,238	-	-	97,238	97,238
Loss for the period	-	-	-	(1,991,855)	(1,991,855)	(1,991,855)
Balance at 30/6/2021	9,792,835	(740,895)	622,480	(17,920,171)	(18,038,586)	(8,245,751)

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2021 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 31/12/2021 RM	6 months ended 31/12/2020 RM
Cash flow from operating activities		
Profit/(Loss) before taxation	1,911,203	(911,061)
	1,911,203	(911,061)
<i>Adjustment for:</i>		
Written off of tax recoverable		39,607
Interest expenses	-	99,022
Gain on dissolution of subsidiary	(2,279,986)	
Operating loss before working capital changes	(368,783)	(772,431)
Changes in working capital:-		
Receivables	-	-
Payables	(1,092,998)	78,951
Cash from / (used in) operations	(1,461,781)	(693,480)
Tax refund/(paid)	-	-
Net cash from / (used in) operating activities	(1,461,781)	(693,480)
Cashflow from investing activities		
Interest received	-	-
Net cash(used in)/from investing activities	-	-
Cashflow from financing activities		
Advances from Directors	1,461,781	637,655
Net cash from financing activities	1,461,781	637,655
Net changes in cash and cash equivalents	(3,509)	(55,825)
Effect of exchange translation differences	20	55,609
Cash and cash equivalents at beginning of period	10,019	10,137
Cash and cash equivalents at end of period	6,530	9,921

The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 30 June 2021 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 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 2021.

The accounting policies, significant accounting estimates and judgements 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 2021.

2. **Audit report**

There was no opinion expressed by the auditor due to the significance of the matters described in the Basis of Disclaimer Opinion. The auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis of Disclaimer Opinion (full details are available in GNB’s 30 June 2021 Annual Report):

1. There are outstanding loan payables, accrued interest and Company corporate guarantees which the auditor is not able to confirm the accuracy of the carrying amounts stated or whether further liabilities are required to be provided in relation to the loan payables as no external confirmations have been obtained from the lenders.
2. In addition to the loan payables, accrued interest and corporate guarantee, the auditor was not able to confirm the accuracy of the Group’s payables or whether any further liabilities are required to be provided.
3. The Group continues to incur net losses which has resulted in a negative shareholders funds of RM8,245,751 while the current liabilities exceeded the current assets. The Group has also ceased their operations and recorded zero revenues.

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 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.

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6. Taxation

	Current year quarter 31 Dec 2021 RM	Current year to-date 31 Dec 2021 RM
Provision for current year	-	-

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

Subsequently, on 4 December 2020, Kenanga Investment Bank Berhad had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 4 December 2020, stated that after due consideration of all facts and circumstances of the matter, Bursa Securities has decided to reject the Proposed Regularisation Plan.

On 31 December 2020, the Board announced that the Company had entered into a memorandum of understanding with the shareholder of Southern Score Sdn Bhd (“**Southern Score**”) in relation to the

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proposed acquisition of 75% equity interest in Southern Score by GNB (“MOU”).

The purpose of the MOU entered into between the Company and Southern Score is to provide GNB and the vendor (GNB and the vendor are collectively referred to as “Parties”) a non-binding basis for taking discussions forward in relation to the entry of definitive agreement to reflect the terms of this MOU or otherwise agreed by the Parties.

On 31 December 2020, Kenanga Investment Bank Berhad had, on behalf of the Board, submitted an appeal to Bursa Securities on 31 December 2020 to reconsider its decision on the de-listing of GNB from the Official List of Bursa Securities pursuant to Rule 8.04(4) of the ACE LR of Bursa Securities (“Appeal”).

Subsequently, Bursa Securities has vide its letter dated 12 April 2021, informed that after due consideration of all facts and circumstances of the matter including written and oral representations before the appeals committee of Bursa Securities on 29 March 2021, Bursa Securities has decided to allow the Appeal and grant GNB a further extension of time of 6 months until 29 September 2021 to submit the regularisation plan to the relevant authorities for approval subject to the requisite announcement being made within 4 months, i.e. by 29 July 2021.

On 9 July 2021, Kenanga Investment Bank Berhad had, on behalf of the Board, released the requisite announcement to Bursa Securities, detailing the proposed acquisition, proposed debt settlement, proposed private placement and proposed exemption.

On 7 September 2021, Kenanga Investment Bank Berhad had, on behalf of the Board, submitted the Proposed Regularisation Plan to Bursa Securities.

On 26 January 2022, Kenanga Investment Bank Berhad had, on behalf of the Board, announced that GNB had entered into a supplemental profit guarantee agreement with Super Advantage Property Sdn Bhd (“Vendor”) to amend and vary some of the terms and conditions of the profit guarantee entered into between GNB and Vendor on 9 July 2021.

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

On 8 October 2021, GNB’s subsidiary, Geranium Ltd, was dissolved by the Companies Registry (Hong Kong). As a result of the dissolution of Geranium Ltd, there was an overall gain for GNB as reflected in the Condensed Consolidated Statement of Financial Position and Condensed Consolidated Statement of Comprehensive Income.

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**

As announced by GNB on 14 October 2021, pursuant to an online search conducted through the website of the Cyber Search Centre of Integrated Companies Registry Information System (“ICRIS”), the records of the Companies Registry (Hong Kong) reflects that Geranium Ltd has been dissolved by striking off as at 8 October 2021. As a result of the dissolution, all of Geranium’s borrowings/payables have been disposed. GNB had provided a corporate guarantee on one of the loans, by lender (i.e Giant Master Ltd (Samoa) (“Giant Master”)) to Geranium Ltd amounting to RM518,730 as at 30 June 2021. A search conducted by GNB with the Ministry of Commerce, Industry & Labour of Samoa on Giant Master and also an independent search conducted by a secretarial company showed that the lender is not in existence. As Giant Master is no longer in existence, the crystallised corporate guarantee payable by GNB has been written back.

11. **Review of Performance**

(a) **Comparison of current financial quarter ended 31 December 2021 vs preceding financial quarter 30 September 2021**

The Group recorded nil revenue for the current financial quarter ended 31 December 2021 and the preceding financial quarter ended 30 September 2021 as it has wound down all of its operations. The

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Group recorded profit before tax of RM2,146,180 in the current financial quarter ended 31 December 2021 as compared to loss before tax of RM284,825 in the preceding financial quarter ended 30 September 2021. The profit was mainly due to a gain on dissolution of Geranium Limited in the current period.

(b) Comparison of current financial quarter / period ended 31 December 2021 vs preceding year corresponding quarter / period ended 31 December 2020

The Group recorded nil revenue for the current financial quarter ended 31 December 2021 and the preceding year corresponding quarter ended 31 December 2020 as the Group had ceased its operation. The Group recorded a profit before tax of RM2,146,180 in the current financial quarter ended 31 December 2021 which was mainly arising from gain on dissolution of Geranium Limited. The Group incurred a pre-tax loss of RM338,811 in the preceding year corresponding quarter ended 31 December 2020, arising from the professional fees that were charged based on the progressive milestones and finance cost incurred.

(c) Comparison of current year-to-date period ended 31 December 2021 vs preceding year-to-date period ended 31 Dec 2020

The Group recorded nil revenue for the 6 months period ended 31 December 2021 and for the preceding corresponding 6 months period ended 31 December 2020 as the Group has ceased its operation. For the 6 months period ended 31 December 2021, the Group recorded a pre-tax profit of RM1,911,203 as compared to a pre-tax loss of RM911,061 in the corresponding 6 months period ended 31 December 2020. The pre-tax profit for the 6 months period ended 31 December 2021 was due to a gain on dissolution of Geranium Ltd while the pre-tax losses for the corresponding 6 months period ended 31 December 2020 was due to professional fees for the regularisation plan which were charged based on the progressive milestones and finance cost incurred.

12. 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 9 July 2021, the Company released the requisite announcement on the Proposed Regularisation Plan comprising the proposed acquisition, proposed debt settlement, proposed private placement and proposed exemption. On 7 September 2021, Kenanga Investment Bank Berhad had, on behalf of the Board, submitted the Proposed Regularisation Plan to Bursa Securities. Subsequently, on 26 January 2022, the Company announced that GNB had entered into a supplemental profit guarantee agreement with the Vendor to amend and vary some of the terms and conditions of the profit guarantee entered into between GNB and Vendor on 9 July 2021.

In addition, as set out in Section 8 and 10 of this report, Geranium Ltd, a subsidiary of the Company, has been dissolved by striking off as at 8 October 2021.

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 31 December 2021 are as follows:-

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	Revenue		Results	
	Current year quarter 31 Dec 2021 RM	Current year to-date 31 Dec 2021 RM	Current year quarter 31 Dec 2021 RM	Current year to-date 31 Dec 2021 RM
Investment holding, information technology	-	-	2,146,180	1,911,203
Apparel products/Electronic equipment	-	-	-	-
	-	-		
Operating profit			2,146,180	1,911,203
Finance cost			-	-
Profit before tax			2,146,180	1,911,203

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 2021 RM	31 Dec 2020 RM
Investment holding, information technology and apparel products	-	-
Others	-	-
	-	-

16. **Subsequent Events**

Save for the supplemental profit guarantee agreement entered into between the Company and Super Advantage Property Sdn Bhd on 26 January 2022 as set out in Section 7 of this report, there were no material events subsequent to the end of the financial period ended under review.

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.

19. **Earnings/(Loss) per Share**

(i) Basic

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

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	INDIVIDUAL AND CUMULATIVE PERIOD TO DATE	
	Current year Quarter 31/12/2021 RM	Current year to Date 31/12/2021 RM
Profit attributable to equity holders of the parent (RM)	2,146,180	1,911,203
Weighted average number of ordinary shares	288,750,000	288,750,000
Basic earnings per share (sen)	0.74	0.66

(ii) Diluted

Diluted earnings/(loss) per ordinary share for the financial year/period is calculated by dividing the earnings/(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 earnings/(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 earnings/(loss) per ordinary share.

20. **Dividends paid**

There were no dividends paid during the quarter under review.

21. **Dividend payable**

No dividend has been declared for the current quarter.

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

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

	Current year quarter 31/12/2021 RM	Current year to date 31/12/2021 RM
Interest expense	-	-
Interest income	-	-
Other income including investment income	-	-
Depreciation and amortization	-	-
Provision for and write off receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or loss	-	-
Gain or loss on derivatives	-	-

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

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 2021.