

GETS GLOBAL BERHAD

(formerly known as KBES BERHAD)

(Company No: 597132 A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

GETS GLOBAL BERHAD

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AND ITS SUBSIDIARIES

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

| | CURRENT QUARTER | | CUMULATIVE QUARTER | |
|--|-----------------|----------------|--------------------|----------------|
| | 30/9/2017 | 30/9/2016 | 30/9/2017 | 30/9/2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue | 5,357 | 6,064 | 26,869 | 22,953 |
| Cost of sales | (5,792) | (5,398) | (24,102) | (20,337) |
| Gross (loss)/profit | (435) | 666 | 2,767 | 2,616 |
| Other income | 1,006 | 682 | 1,440 | 917 |
| Administrative expenses | (1,647) | (1,996) | (4,938) | (6,309) |
| Selling and distribution expenses | (10) | (25) | (90) | (173) |
| Loss from operations | (1,086) | (673) | (821) | (2,949) |
| Finance costs | (268) | (260) | (808) | (806) |
| Loss before taxation | (1,354) | (933) | (1,629) | (3,755) |
| Taxation | 69 | (225) | 15 | (213) |
| Loss for the financial period | (1,285) | (1,158) | (1,614) | (3,968) |
| Other comprehensive income, net of taxation | - | - | - | - |
| Total comprehensive loss for the financial period | (1,285) | (1,158) | (1,614) | (3,968) |
| Loss after taxation attributable to:- | | | | |
| Owners of the Company | (1,281) | (1,360) | (1,610) | (4,167) |
| Non-controlling interests | (4) | 202 | (4) | 199 |
| | (1,285) | (1,158) | (1,614) | (3,968) |
| Total comprehensive loss attributable to:- | | | | |
| Owners of the Company | (1,281) | (1,360) | (1,610) | (4,167) |
| Non-controlling interests | (4) | 202 | (4) | 199 |
| | (1,285) | (1,158) | (1,614) | (3,968) |
| Basic loss per ordinary share (sen) | (1.02) | (1.08) | (1.28) | (3.31) |
| (Note B13) | | | | |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

| | AS AT 30/9/2017 RM'000 (Unaudited) | AS AT 31/12/2016 RM'000 (Audited) |
|---|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 65,272 | 68,063 |
| Trade and other receivables | 1,231 | 1,256 |
| Total non-current assets | 66,503 | 69,319 |
| Current assets | | |
| Inventories | 2,839 | 2,398 |
| Trade and other receivables | 15,250 | 14,224 |
| Tax recoverable | 78 | 808 |
| Fixed deposits with licensed banks | - | - |
| Cash and bank balances | 402 | 607 |
| Assets classified as held for sale | - | 6,180 |
| Total current assets | 18,569 | 24,217 |
| TOTAL ASSETS | 85,072 | 93,536 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 63,000 | 63,000 |
| Reserves | (7,547) | (5,937) |
| Shareholders' funds | 55,453 | 57,063 |
| Non-controlling interests | 959 | 963 |
| TOTAL EQUITY | 56,412 | 58,026 |
| Non-current liabilities | | |
| Loans and borrowings | 4,142 | 5,700 |
| Deferred tax liabilities | 6,178 | 6,193 |
| Total non-current liabilities | 10,320 | 11,893 |
| Current liabilities | | |
| Trade and other payables | 9,260 | 14,893 |
| Loans and borrowings | 9,080 | 8,700 |
| Tax payables | - | 24 |
| Total current liabilities | 18,340 | 23,617 |
| TOTAL LIABILITIES | 28,660 | 35,510 |
| TOTAL EQUITY AND LIABILITIES | 85,072 | 93,536 |
| Net assets per ordinary share of RM0.50 each (RM) | 0.45 | 0.46 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

| | ← Attributable to owners of the Company → | | | | | | |
|----------------------------------|---|---|---|--|-----------------|--|------------------------|
| | Share Capital RM'000 | Non-Distributable Reserve - Share Premium RM'000 | Non-Distributable Reserve - Revaluation Reserves RM'000 | Distributable Reserve - Accumulated Losses RM'000 | Total RM'000 | Non-controlling Interests RM'000 | Total Equity RM'000 |
| As at 1 January 2016 | 63,000 | 6,145 | - | (24,952) | 44,193 | 767 | 44,960 |
| Loss for the period (Cumulative) | - | - | - | (4,167) | (4,167) | 199 | (3,968) |
| As at 30 September 2016 | <u>63,000</u> | <u>6,145</u> | <u>-</u> | <u>(29,119)</u> | <u>40,026</u> | <u>966</u> | <u>40,992</u> |
| As at 1 January 2017 | 63,000 | 6,145 | 16,045 | (28,127) | 57,063 | 963 | 58,026 |
| Loss for the period (Cumulative) | - | - | - | (1,610) | (1,610) | (4) | (1,614) |
| As at 30 September 2017 | <u>63,000</u> | <u>6,145</u> | <u>16,045</u> | <u>(29,737)</u> | <u>55,453</u> | <u>959</u> | <u>56,412</u> |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

| | Year To Date 30/9/2017 RM'000 (Unaudited) | Year To Date 30/9/2016 RM'000 (Unaudited) |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (1,629) | (3,755) |
| Adjustments for:- | | |
| Amortisation of leasehold land and building | 190 | 93 |
| Depreciation of property, plant and equipment | 2,348 | 3,363 |
| Gain on disposal of property, plant and equipment | - | (396) |
| Gain on disposal of non-current asset held for sale | (917) | - |
| Fair value adjustments of other receivables | (25) | - |
| Interest expenses | 808 | 806 |
| Interest income | (2) | (3) |
| Operating profit before working capital changes | 773 | 108 |
| Changes in working capital:- | | |
| Inventories | (441) | 2,701 |
| Trade and other receivables | (1,026) | 1,037 |
| Trade and other payables | 1,646 | (2,911) |
| Cash generated from operations | 952 | 935 |
| Tax paid | (20) | (507) |
| Tax refund | 734 | - |
| Net Operating Cash Flows | 1,666 | 428 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 2 | 3 |
| Proceeds from disposal of property, plant and equipment | 7,000 | 1,561 |
| Purchase of property, plant and equipment | (6,747) | (846) |
| Net Investing Cash Flows | 255 | 718 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (808) | (806) |
| Advances from directors | (21) | 336 |
| (Repayment)/Drawdown of hire purchase payables, net | (358) | (490) |
| (Repayment)/Drawdown of term loans, net | (820) | (930) |
| Net Financing Cash Flows | (2,007) | (1,890) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (86) | (744) |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | (6,578) | (3,871) |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | (6,664) | (4,615) |
| ANALYSIS OF CASH AND CASH EQUIVALENTS:- | | |
| Cash and bank balances | 402 | 356 |
| Fixed deposits with licensed banks | - | - |
| Bank overdrafts | (7,066) | (4,971) |
| | (6,664) | (4,615) |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.