

GETS GLOBAL BERHAD

(Company No: 597132 A)
(Incorporated in Malaysia)

AND ITS SUBSIDIARIES NOTES TO THE INTERIM FINANCIAL REPORT

Part A - Explanatory Notes Pursuant to MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

This interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad. The interim financial statements are in compliance with the Malaysian Financial Reporting Standards ("MFRSs") and Issue Committee Interpretation ("IC Int.").

This interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2016.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those of the audited financial statements for the year ended 31 December 2016.

The Group had adopted the following MFRSs, Interpretations and amendments that are mandatory for the current financial year:-

Amendments/Improvements to MFRSs

- Amendments to MFRS 12 Annual Improvements to MFRS Standards 2014 – 2016 Cycle
- Amendments to MFRS 107 Disclosure Initiatives
- Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses

The Group has not adopted the following MFRSs, Interpretations and amendments that have been issued by the MASB as at the date of authorisation of this interim financial report :-

New MFRSs

- Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014-2016 Cycle*
- Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014-2016 Cycle*
- MFRS 9 Financial Instruments (IFRS as issued by IASB in July 2014)
- MFRS 15 Revenue from Contracts with Customers
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 140 Transfer of Investment Property

A2. Auditors' Report on Preceding Annual Financial Statements

There were no audit qualifications on the annual financial statements for the year ended 31 December 2016.

A3. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any major seasonal or cyclical factors.

A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

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NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

Part A - Explanatory Notes Pursuant to MFRS 134 INTERIM FINANCIAL REPORTING (Continued)

A5. Material Changes in Estimates

There were no changes in estimates used for accounting estimates which may have a material effect for the current quarter under review.

A6. Debt and Equity Securities

There are no issuance and repayment of debts and equity securities during the current quarter.

A7. Dividend Paid

There was no dividend paid during the quarter under review.

A8. Segmental Information

The segmental reporting by business units based on their products and services provided is set out below -

(a) For the eighteen (18) months ended 30 June 2018

	18 months ended 30/6/2018					
	Investment holding RM'000	City Bus Services RM'000	Express Bus Services RM'000	Fabrication of Coach Bodies and Maintenance RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External customers	41	7,734	31,940	8,914	-	48,629
Inter-segment revenue	300	-	-	2,828	(3,128)	-
Total revenue	<u>341</u>	<u>7,734</u>	<u>31,940</u>	<u>11,742</u>	<u>(3,128)</u>	<u>48,629</u>
Results						
Segment results	<u>(1,236)</u>	<u>3,628</u>	<u>(3,483)</u>	<u>(2,236)</u>	<u>-</u>	<u>(3,327)</u>
Depreciation and amortisation	(391)	(1,279)	(2,960)	(393)	355	(4,668)
Finance costs	(237)	-	(994)	(477)	-	(1,708)
Property, plant and equipment written	-	-	-	(550)	-	(550)
Impairment on trade and other receiv.	-	-	(1,000)	-	-	(1,000)
Interest income	-	-	-	2	-	2
Tax expense	(14)	-	75	(42)	(85)	(66)
Consolidated profit after taxation						<u>(11,317)</u>

(b) For the twelve (12) months ended 31 December 2016

	12 months ended 31/12/2016					
	Investment holding RM'000	City Bus Services RM'000	Express Bus Services RM'000	Fabrication of Coach Bodies and Maintenance RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External customers	162	-	22,068	17,002	-	39,232
Inter-segment revenue	240	-	-	1,425	(1,665)	-
Total revenue	<u>402</u>	<u>-</u>	<u>22,068</u>	<u>18,427</u>	<u>(1,665)</u>	<u>39,232</u>
Results						
Segment results	<u>1,127</u>	<u>-</u>	<u>2,507</u>	<u>(3,482)</u>	<u>(314)</u>	<u>(162)</u>
Depreciation and amortisation	(723)	-	(4,084)	(417)	530	(4,694)
Finance costs	(29)	-	(550)	(507)	-	(1,086)
Gain on disposal of property, plant and equipment	-	-	4,142	-	-	4,142
Property, plant and equipment written	-	-	(108)	(424)	-	(532)
Impairment on trade and other receiv.	-	-	(223)	-	-	(223)
Interest income	-	-	-	3	-	3
Tax credit	(53)	-	(322)	-	(52)	(427)
Consolidated Loss after taxation						<u>(2,979)</u>

(c) No geographical segment is presented as the Group operates principally in Malaysia.

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NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

Part A - Explanatory Notes Pursuant to MFRS 134 INTERIM FINANCIAL REPORTING (Continued)

A9. Revaluation of Property, Plant and Equipment

There were no revaluation of property, plant and equipment during the current financial quarter.

A10. Subsequent Events

There were no subsequent event.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

A12. Contingent Liabilities

The Group has no material contingent liabilities as at the date of this announcement.

A13. Capital Commitments

There were no capital commitments that have a material effect in the current quarter ended 30 June 2018.

A14. Significant Related Party Transactions

There were no significant related party transactions in the current quarter ended 30 June 2018.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

	18 months ended 30/6/2018 RM'000	12 months ended 31/12/2016 RM'000
Revenue from:-		
Investment holding	281	402
Express bus services	31,940	31,361
City bus services	7,734	-
Assembly and maintenance of coaches and air-conditioners	11,498	3,900
	<u>51,453</u>	<u>35,663</u>
Inter segment elimination	<u>(2,824)</u>	<u>(1,665)</u>
	<u>48,629</u>	<u>33,998</u>
Profit/(Loss) before taxation	<u>(11,251)</u>	<u>(2,552)</u>

The Group recorded revenue of RM48.6mil for the eighteen months ended 30 June 2018. Loss before taxation is RM11.3 million for the current financial period as compared with loss of RM2.6mil for the year ended 31 December 2016. During the financial year under review, the Group faced stiff competition in its express bus services division.

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NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (Continued)

B2. Comparison with the Preceding Quarter's Results

The Group's revenue of RM8.3mil which is 46% lower than the preceding quarter mainly due to sales of buses in the preceding quarter.

B3. Prospects

Barring unforeseen circumstances, the results for the Group are expected to improve in the forthcoming financial year.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.

B5. Taxation

	<u>(Expense)/Credit</u>	
	Current year quarter 30/6/2018 RM'000	Current year to-date 30/6/2018 RM'000
Income tax	-	-
Deferred tax	61	(66)
	<u>61</u>	<u>(66)</u>

B6. Disposal of Unquoted Investments and/or Properties

There were no disposals of unquoted investment or properties during the quarter under review.

B7. Quoted Securities

There were no acquisitions or disposals of quoted securities during the current quarter under review.

B8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

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NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (Continued)

B9. Group Borrowings

The details of the Group's loans and borrowing, all of which are denominated in Ringgit Malaysia, as at 30 June 2018 are as follows:-

	RM'000
Short term:-	
Hire purchase payables	968
Term loans	1,454
Bank overdrafts	14,902
	<u>17,324</u>
Long term:-	
Term loans	<u>2,143</u>

The bank overdrafts and term loans are secured by way of:-

- (i) first party legal charges over leasehold properties of subsidiaries;
- (ii) third party legal charge over leasehold properties of a subsidiary;
- (iii) corporate guarantee by the Company.

B10. Off Balance Sheet Financial Instruments

There was no financial instrument with off-balance sheet risk as at the date of this announcement applicable to the Group.

B11. Material Litigation

There were no material litigation pending as at the date of this announcement.

B12. Dividends

The Board of Directors do not recommend any dividend for the current quarter under review.

B13. Earnings/(Loss) Per Share

- (a) Basic earnings/(loss) per share

	Current quarter ended 30/6/2018	Corresponding quarter ended 30/6/2017	18 months ended 30/6/2018	12 months ended 31/12/2016
Net profit/(loss) attributable to shareholders (RM '000)	(650)	247	(10,743)	(3,175)
Number of ordinary shares in issue ('000)	126,000	126,000	126,000	126,000
Basic earnings/(loss) per ordinary share (sen)	<u>(0.52)</u>	<u>0.20</u>	<u>(8.53)</u>	<u>(2.52)</u>

The basic earnings/(loss) per ordinary share is calculated by dividing the consolidated net profit/(loss) attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

- (b) Diluted earnings per share

The basic and diluted loss per share are equal as the Group has no dilutive potential ordinary shares outstanding as at 30 June 2018.

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(Company No. 597132 A)
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NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (Continued)

B14. Disclosure of realised and unrealised profits or losses

The breakdown of accumulated losses of the Group as at 30 June 2018, into realised and unrealised is as follows:-

	As at 30/6/2018 RM'000	As at 31/12/2016 RM'000
Total accumulated losses:-		
- realised	(32,762)	(21,902)
- unrealised	<u>(6,378)</u>	<u>(6,193)</u>
	(39,140)	(28,095)
Add:		
Consolidation adjustments	270	(32)
Total accumulated losses	<u>(38,870)</u>	<u>(28,127)</u>

The disclosure of realised and unrealised accumulated losses is made based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

B15 The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

BY ORDER OF THE BOARD

Datuk Che Azizuddin bin Che Ismail
Managing Director

Date : 29 August 2018