

GETS GLOBAL BERHAD

(Company No: 597132 A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD OF THREE MONTHS ENDED 31 DECEMBER 2018

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AND ITS SUBSIDIARIES

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE FINANCIAL PERIOD OF THREE MONTHS ENDED 31 DECEMBER 2018

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD OF THREE MONTHS ENDED 31 DECEMBER 2018

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	6,952	5,377	13,426	10,734
Cost of sales	(7,999)	(8,274)	(16,301)	(14,066)
Gross (loss)/profit	(1,047)	(2,897)	(2,875)	(3,332)
Other income	1,490	-	2,897	1,006
Administrative expenses	(1,557)	(4,991)	(2,604)	(6,638)
Selling and distribution expenses	(25)	9	(43)	(1)
Profit/(Loss) from operations	(1,139)	(7,879)	(2,625)	(8,965)
Finance costs	(292)	(265)	(580)	(533)
Profit/(Loss) before taxation	(1,431)	(8,144)	(3,205)	(9,498)
Taxation	-	(142)	(43)	(73)
Profit/(Loss) for the financial period	(1,431)	(8,286)	(3,248)	(9,571)
Profit/(Loss) after taxation attributable to:-				
Owners of the Company	(1,354)	(7,982)	(2,976)	(9,263)
Non-controlling interests	(77)	(304)	(272)	(308)
	(1,431)	(8,286)	(3,248)	(9,571)
Total comprehensive Profit/(loss) attributable to:-				
Owners of the Company	(1,354)	(7,982)	(2,976)	(9,263)
Non-controlling interests	(77)	(304)	(272)	(308)
	(1,431)	(8,286)	(3,248)	(9,571)
Basic earning/(loss) per ordinary share (sen) (Note B13)	(1.07)	(6.33)	(2.36)	(7.35)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	AS AT 31/12/2018 RM'000 (Unaudited)	AS AT 30/6/2018 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	70,130	71,242
Trade and other receivables	6,614	6,614
Total non-current assets	76,744	77,856
Current assets		
Inventories	15,624	14,195
Trade and other receivables	7,141	8,194
Tax recoverable	83	84
Fixed deposits with licensed banks	-	-
Cash and bank balances	20	635
Total current assets	22,868	23,108
TOTAL ASSETS	99,612	100,964
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	69,145	69,145
Reserves	(27,365)	(24,388)
Shareholders' funds	41,780	44,757
Non-controlling interests	2,046	2,318
TOTAL EQUITY	43,826	47,075
Non-current liabilities		
Loans and borrowings	1,842	2,567
Deferred tax liabilities	5,781	5,170
Trade and other payables	2,786	2,474
Total non-current liabilities	10,409	10,211
Current liabilities		
Trade and other payables	29,022	26,360
Loans and borrowings	16,355	17,254
Tax payables	-	64
Total current liabilities	45,377	43,678
TOTAL LIABILITIES	55,786	53,889
TOTAL EQUITY AND LIABILITIES	99,612	100,964
Net assets per ordinary share (RM)	0.35	0.37

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2018 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 OF THREE MONTHS ENDED 31 DECEMBER 2018

	Attributable to owners of the Company				Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable Reserve - Share Premium RM'000	Non-Distributable Reserve - Revaluation Reserves RM'000	Distributable Reserve - Accumulated Losses RM'000			
As at 1 January 2017	63,000	6,145	16,045	(28,127)	57,063	963	58,026
Transfer in accordance to Section 74 of the Companies Act, 2016 in Malaysia	6,145	(6,145)					
Transfer of reserve			(1,409)	1,409			
Transaction with non-controlling interest						1,015	1,015
Realisation of revaluation reserve				285	285		285
Total comprehensive loss/(income) for the financial period	-	-	-	(12,592)	(12,592)	340	(12,252)
As at 30 June 2018	<u>69,145</u>	<u>-</u>	<u>14,636</u>	<u>(39,025)</u>	<u>44,756</u>	<u>2,318</u>	<u>47,074</u>
As at 1 July 2018	69,145	-	14,636	(39,025)	44,756	2,318	47,074
Loss for the period (Cumulative)	-	-	-	(2,976)	(2,976)	(272)	(3,248)
As at 31 December 2018	<u>69,145</u>	<u>-</u>	<u>14,636</u>	<u>(42,001)</u>	<u>41,780</u>	<u>2,046</u>	<u>43,826</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2018 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 OF SIX MONTHS ENDED 31 DECEMBER 2018

	Year To Date 31/12/2018 RM'000 (Unaudited)	18 Months Ended 30/6/2018 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,205)	(12,797)
Adjustments for:-		
Bargain purchase	-	(4,061)
Depreciation of property, plant and equipment	2,268	5,048
Bad debts written off	-	213
Impairment loss on trade and non-trade receivables	-	522
Reversal of impairment loss on trade receivables	-	(165)
Property, plant and equipment written off	-	1,113
Inventories written off	-	75
Gain on disposal of property, plant and equipment	-	(2,525)
Gain on disposal of non-current asset held for sale	-	(707)
Re-measurement of trade and non-trade receivables	-	1,204
Re-measurement of trade and non-trade payables	-	(313)
Interest expenses	580	1,708
Operating profit before working capital changes	(357)	(10,685)
Changes in working capital:-		
Inventories	(1,429)	(5,846)
Trade and other receivables	(3,760)	1,475
Trade and other payables	2,675	(603)
Cash generated from operations	(2,871)	(15,659)
Tax paid	-	(166)
Tax refund	-	767
Net Operating Cash Flows	(2,871)	(15,058)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary	-	322
Proceeds from disposal of property, plant and equipment	-	9,198
Proceeds from disposal of non-current assets	-	6,745
Purchase of property, plant and equipment	-	(5,633)
Net Investing Cash Flows	-	10,632
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(580)	(1,705)
Advances from directors	-	443
Advances from related parties	-	295
Increase in trust receipts	-	4,683
(Repayment)/Drawdown of hire purchase payables, net	(89)	(1,001)
(Repayment)/Drawdown of term loans, net	(1,102)	(2,117)
Net Financing Cash Flows	(1,771)	598
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,642)	(3,828)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(9,935)	(6,107)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(14,577)	(9,935)
ANALYSIS OF CASH AND CASH EQUIVALENTS:-		
Cash and bank balances	20	635
Fixed deposits with licensed banks	-	-
Bank overdrafts	(14,597)	(10,570)
	(14,577)	(9,935)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial

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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 period ended 30 June 2018. 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 period ended 30 June 2018.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those of the audited financial statements for the period ended 30 June 2018.

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 period ended 30 June 2018.

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 six (6) months ended 31 December 2018

	6 months ended 31/12/2018					Consolidated RM'000
	Investment holding RM'000	City Bus Services RM'000	Express Bus Services RM'000	Fabrication of Coach Bodies and Maintenance Services RM'000	Elimination RM'000	
Revenue						
External customers	-	5,769	7,657	-	-	13,426
Inter-segment revenue	120	-	-	707	(827)	-
Total revenue	<u>120</u>	<u>5,769</u>	<u>7,657</u>	<u>707</u>	<u>(827)</u>	<u>13,426</u>
Results						
Segment results	(118)	1,966	(2,489)	284	-	(357)
Depreciation and amortisation	(20)	(1,044)	(1,102)	(102)	-	(2,268)
Finance costs	(123)	-	(296)	(161)	-	(580)
Tax expense	(14)	-	13	(42)	-	(43)
Consolidated profit after taxation						<u>(3,248)</u>

(b) For the three (6) months ended 31 December 2017

	6 months ended 31/12/2017					Consolidated RM'000
	Investment holding RM'000	Express Bus Services RM'000	Fabrication of Coach Bodies and Maintenance Services RM'000	Elimination RM'000		
Revenue						
External customers	41	10,693	-	-	-	10,734
Inter-segment revenue	120	-	717	(837)	-	-
Total revenue	<u>161</u>	<u>10,693</u>	<u>717</u>	<u>(837)</u>		<u>10,734</u>
Results						
Segment results	(454)	(4,313)	(1,806)	-	-	(6,573)
Depreciation and amortisation	(762)	(2,497)	(356)	1,077	-	(2,538)
Finance costs	(89)	(208)	(236)	-	-	(533)
Tax credit	(14)	156	(69)	-	-	73
Consolidated Loss after taxation						<u>(9,571)</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 31 December 2018.

A14. Significant Related Party Transactions

During the current quarter ended 30 September 2018, the Group has recurrent related party transactions of a revenue or trading nature as follows:

			Quarter ended 31.12.18 RM'000	Quarter ended 31.12.17 RM'000
	Related Parties	Nature of Transactions		
1)	AMP	Purchase of bus spare parts	392.00	-
2)	ACSB	Rental of premises	90.00	-
3)	ASF	Security services	435.00	-
			<u>917.00</u>	<u>-</u>

1) AMP - Aiman Motor Performance Sdn Bhd is wholly owned by Datuk Che Azizuddin and his wife. Datuk Che Azizuddin and his wife are also directors of AMP

2) ACSB - Arca Corporation Sdn Bhd is wholly owned by Datuk Che Azizuddin and his wife. Datuk Che Azizuddin and his wife are also directors of ACSB

3) ASF - Arca Security Force Sdn Bhd is wholly owned by ACSB. Datuk Che Azizuddin and his wife are also directors of ASF.

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

B1. Review of Performance

	Quarter ended 31/12/2018 RM'000	Quarter ended 31/12/2017 RM'000
Revenue from:-		
Investment holding	60	30
Express bus services	3,865	5,377
City bus services	3,087	-
Assembly and maintenance of coaches and air-conditioners	368	-
	<u>7,380</u>	<u>5,407</u>
Inter segment elimination	<u>(428)</u>	<u>(30)</u>
	<u>6,952</u>	<u>5,377</u>
Profit/(Loss) before taxation	<u>(1,431)</u>	<u>(8,286)</u>

The Group recorded revenue of RM6,952,000 for the quarter ended 31 December 2018, an increase of 29% over that of the corresponding quarter. The city bus revenue of RM 3,087,000 was attributable to the recently acquired subsidiary, Pengangkutan Awam Putrajaya Travel & Tours Sdn Bhd. The express bus revenue dropped by 28% due to challenging operating conditions.

The improvement in Loss Before Taxation is mainly due to better efficiency in managing costs and expenditure.

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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 recorded revenue of RM 6,952,000, an increase of RM 478,000 or 7% over that of the preceding quarter. Loss Before Taxation was RM 1,431,000, an improvement of 19% over that of the preceding quarter.

B3. Prospects

The Group is expected to improve its operations in the forthcoming financial period.

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

	(Expense)/Credit	
	Current year quarter 31/12/2018 RM'000	Current year to-date 31/12/2018 RM'000
Income tax	-	-
Deferred tax	-	(43)
	<u>-</u>	<u>(43)</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 31 December 2018 are as follows:-

	RM'000
Short term:-	
Hire purchase payables	756
Term loans	1,002
Bank overdraft	14,597
	<u>16,355</u>
Long term:-	
Term loans	1,842
	<u>1,842</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

On 30.11.2018, pursuant to an application by Badanbas Sdn Bhd ("BSB") judgement was entered against PAPTT, a 80% owned subsidiary of the Group for a sum of RM 4,298,488.56 together with interest at the rate of 5% pa from 26.7.2018 until full settlement for bus maintenance services rendered.

Subsequently PAPTT obtained a Stay of Execution of the judgement.

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 31/12/2018	Corresponding quarter ended 31/12/2017	Current year to-date ended 31/12/2018	Corresponding year to-date ended 31/12/2017
Net profit/(loss) attributable to shareholders (RM '000)	(1,354)	(7,982)	(2,976)	(9,263)
Number of ordinary shares in issue ('000)	126,000	126,000	126,000	126,000
Basic earnings/(loss) per ordinary share (sen)	<u>(1.07)</u>	<u>(6.33)</u>	<u>(2.36)</u>	<u>(7.35)</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 31 December 2018.

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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 31 December 2018, into realised and unrealised is as follows:-

	As at 31/12/2018 RM'000	As at 30/6/2018 RM'000
Total accumulated losses:-		
- realised	(35,893)	(32,800)
- unrealised	<u>(6,378)</u>	<u>(6,193)</u>
	(42,271)	(38,993)
Add:		
Consolidation adjustments	<u>270</u>	<u>(32)</u>
Total accumulated losses	<u><u>(42,001)</u></u>	<u><u>(39,025)</u></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 : 25 February 2019