



GETS GLOBAL BERHAD

Company No: 200201029469 | 597132-A

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

GETS GLOBAL BERHAD

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Unaudited Interim Financial Report for the financial period ended 30 September 2021

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Unaudited Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2021

	Current Quarter Ended 30-Sept-21 RM'000	Corresponding Quarter Ended 30-Sept-20 RM'000	Current Period Ended 30-Sept-21 RM'000	Corresponding Period Ended 30-Sept-20 RM'000
Revenue	16,419	-	27,814	-
Cost of sales	(8,861)	-	(19,977)	-
Gross profit/(loss)	7,558	-	7,837	-
Other income	410	-	6,241	-
Administrative expenses	(5,505)	-	(31,191)	-
Selling and distribution expenses	-	-	-	-
Profit/(Loss) from operations	2,463	-	(17,113)	-
Finance costs	(728)	-	(416)	-
Profit/(Loss) before taxation	1,735	-	(17,529)	-
Taxation	1,309	-	1,940	-
Profit/(Loss) for the period	3,044	-	(15,589)	-
Profit/(Loss) after taxation attributable to:-				
Owners of the Company	3,822	-	(14,025)	-
Non-controlling interests	(778)	-	(1,564)	-
	3,044	-	(15,589)	-
Total comprehensive Profit/(loss) attributable to:-				
Owners of the Company	3,822	-	(14,025)	-
Non-controlling interests	(778)	-	(1,564)	-
	3,044	-	(15,589)	-
Basic and diluted earning/(loss) per ordinary share (sen) (Note B13)	1.35	-	(4.94)	-

As announced on 27 May 2021, the financial year end of the Group has been changed from 30 June 2021 to 30 September 2021. As such, no comparative financial information is available for the preceding year's corresponding periods.

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial report.

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Unaudited Condensed Consolidated Statement of Financial Position for the financial period ended 30 September 2021

	Unaudited as at 30-Sept-21 RM'000	Audited as at 30-Jun-20 RM'000	
ASSETS			
Non-current assets			
Property, plant and equipment	65,761	37,948	Note 1
Right of use assets	98,583	34,763	Note 1
Development expenditure	-	5,934	
Trade and other receivables	-	7,553	
WIP - Factory & Machinery	40,173	-	
Total non-current assets	<u>204,517</u>	<u>86,198</u>	
Current assets			
Inventories	34,193	2,174	
Trade and non-trade receivables	12,456	8,317	
Tax recoverable	-	36	
Cash and bank balances	40,701	346	
Total current assets	<u>87,350</u>	<u>10,873</u>	
TOTAL ASSETS	<u>291,867</u>	<u>97,071</u>	
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	156,045	69,145	
Reserves	(61,984)	(47,959)	
Shareholders' funds	94,061	21,186	
Non-controlling interests	39	1,603	
TOTAL EQUITY	<u>94,100</u>	<u>22,789</u>	
Non-current liabilities			
Loans and borrowings	87,761	-	
Other payables	67,015	2,000	
Lease liability	2,002	9,475	
Deferred tax liabilities	4,901	5,472	
Total non-current liabilities	<u>161,679</u>	<u>16,947</u>	
Current liabilities			
Trade and other payables	25,393	33,655	
Borrowings	9,269	20,100	
Lease liabilities	1,416	2,393	
Tax payables	10	1,187	
Total current liabilities	<u>36,088</u>	<u>57,335</u>	
TOTAL LIABILITIES	<u>197,767</u>	<u>74,282</u>	
TOTAL EQUITY AND LIABILITIES	<u>291,867</u>	<u>97,071</u>	
Net assets per ordinary share (RM)	<u>0.33</u>	<u>0.18</u>	Note 2
Total Shares Issued	<u>284,000</u>	<u>126,000</u>	

Note 1: Amount restated due to reclassification of RM638,200 of property, plant and equipment to right of use assets.

Note 2: Net assets per share is calculate based on Total Equity divided by Total Shares Issued.

As announced on 27 May 2021, the financial year end of the Group has been changed from 30 June 2021 to 30 September 2021. As such, no comparative financial information is available for the preceding year's corresponding periods.

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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Unaudited Condensed Consolidated Statement of Changes In Equity for the financial period ended 30 September 2021

	← 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 - Revaluation Reserves RM'000	Distributable Reserve - Accumulated Losses RM'000			
As at 1 July 2019	69,145	12,929	(47,498)	34,576	2,869	37,445
Revaluation surplus on land and buildings net of tax	-	5,351	-	5,351	-	5,351
Arising from revaluation reserve	-	(320)	320	-	-	-
Total comprehensive (loss)/income for the financial year	-	-	(18,742)	(18,742)	(1,266)	(20,008)
As at 30 June 2020	<u>69,145</u>	<u>17,960</u>	<u>(65,920)</u>	<u>21,186</u>	<u>1,603</u>	<u>22,789</u>
As at 1 July 2020	69,145	17,960	(65,920)	21,186	1,603	22,789
Total comprehensive (loss)/income for the financial period	-	-	(14,025)	(14,025)	(1,564)	(15,589)
Revaluation surplus of land and buildings	-	-	-	-	-	-
Issuance of new ordinary shares	86,900	-	-	86,900	-	86,900
As at 30 September 2021	<u>156,045</u>	<u>17,960</u>	<u>(79,945)</u>	<u>94,061</u>	<u>39</u>	<u>94,100</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial report.

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Unaudited Condensed Consolidated Statement of Cash Flows for the financial period ended 30 September 2021

	Unaudited Current Period Ended 30-Sept-21 RM'000	Audited Corresponding Year-To-Date 30-Jun-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(17,529)	-
Adjustments for:-		
Unwinding of discount	-	-
Depreciation of property, plant and equipment	2,617	-
Gain on disposal of subsidiary	(3,285)	-
Amortisation of right-of-use assets	2,247	-
Loss on remeasurement of trade and non-trade receivables	-	-
Loss on disposal of property, plant & equipment	(70)	-
Impairment loss on property, plant and equipment	4,728	-
Property, plant and equipment written off	7,273	-
Impairment on trade receivables	4,610	-
Reversal of remeasurement of trade and non-trade receivables	-	-
Interest (income) / expenses	417	-
Finance lease cost	585	-
Amortisation of government grants	-	-
Reversal of impairment loss on trade receivables	-	-
Inventories written off	-	-
Operating profit before working capital changes	1,593	-
Changes in working capital:-		
Increase in Inventories	(34,267)	-
Decrease/(Increase) in receivables	(22,583)	-
Increase/(Decrease) in payables	17,739	-
Cash generated from operations	(37,518)	-
Tax paid	-	-
Tax refunded	-	-
Interest paid	-	-
Net Operating Cash Flows	(37,518)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Development expenditure	(855)	-
Proceeds from disposal of property, plant and equipment	66	-
Purchase of finance lease assets	47	-
Purchase of property, plant and equipment	(159,813)	-
Deposits to contractors for contract works	-	-
Net Investing Cash Flows	(160,555)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(417)	-
Interest paid for lease liability	-	-
Advance from directors	8,000	-
Advances from related parties	67,015	-
Increase in trust receipts	-	-

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Unaudited Condensed Consolidated Statement of Cash Flows for the financial period ended 30 September 2021

Issuance of ordinary shares	86,900	-
Government grants	-	-
Drawdown of hire purchases payables, net	57,030	-
Repayment of lease liability	-	-
Repayment of term loans	31,888	-
Net Financing Cash Flows	250,416	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	52,343	-
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(11,642)	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	40,701	-
ANALYSIS OF CASH AND CASH EQUIVALENTS: -		
Cash and bank balances	40,701	-
Bank overdrafts	-	-
	40,701	-

As announced on 27 May 2021, the financial year end of the Group has been changed from 30 June 2021 to 30 September 2021. As such, no comparative financial information is available for the preceding year's corresponding periods.

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial report.

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Unaudited Interim Financial Report for the financial period ended 30 September 2021

Part A | Explanatory Notes Pursuant to MFRS 134 Interim Financial Reporting

A1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting", IAS 34 Interim Financial Reporting, and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report is in compliance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

This interim financial report should be read in conjunction with our audited financial statements for the year ended 30 June 2020. The explanatory notes attached to this interim financial report 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 30 June 2020.

The accounting policies and methods of computation adopted for this interim financial report are consistent with those of the audited financial statements for the year ended 30 June 2020.

On 1 July 2020, the Group adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January, 2020:

Description

Effective for
annual periods
beginning on or
after

Amendments to References to the Conceptual Framework in MFRS Standards:

Amendments to MFRS 2, Share-Based Payment
Amendments to MFRS 3, Business Combinations
Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14, Regulatory Deferral Accounts
Amendments to MFRS 101, Presentation of Financial Statements
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134, Interim Financial Reporting
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138, Intangible Assets
Amendments to IC Interpretation 12, Service Concession Arrangements
Amendments to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132, Intangible Assets - Web Site Costs
Amendments to MFRS 3, Business Combinations: Definition of Business
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures
Interest Rate Benchmark Reform

1 January 2020

Adoption of above amended MFRS did not have any material impact to the financial performance or position of the Group.

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Notes to the Unaudited Interim Financial Report for the financial period ended 30 September 2021

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards:	
Amendments to MFRS 3, Business Combinations: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116, Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
MFRS 17, Insurance Contracts	1 January 2021
Annual Improvements to MFRSs 2018-2020 Cycle:	
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
Amendments to MFRS 9, Financial Instruments	1 January 2022
Amendments to MFRS 16, Leases	1 January 2022
Amendments to MFRS 141, Agriculture	1 January 2022

In the Audited Financial Statements for the financial year ended 30 June 2020 (“**AFS**”), the auditor had identified the following events and conditions that indicate that a material uncertainty exists that may cast significant doubt on the Group’s and the Company’s ability to continue as going concerns and therefore, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business:-

- (i) As disclosed in Note 1(d)(i) to the AFS, the Group and the Company incurred net losses of RM20,006,415 and RM65,419,013 respectively during the financial year ended 30 June 2020. As of that date, the Group’s and the Company’s current liabilities exceeded the current assets by RM46,461,312 and RM13,337,292 respectively and the Company also recorded shareholder deficiency of RM13,337,242 and also significant economic disruption associated with the Covid-19 pandemic indicating that a material uncertainty exists that may cast significant doubt on the Group’s and on the Company’s ability to continue as a going concern.
- (ii) As disclosed in Note 23 and Note 33 to the AFS, the Group and the Company had defaulted the principal and interest payments amounting to approximately RM20.1 million on its borrowing from AmBank Islamic Bank Berhad (“**AmIslamic**”), AmBank Berhad (“**AmBank**”) and Hong Leong Bank Berhad (“**HLBB**”) due to its financial constraints and summary judgement had been awarded on 23 January 2020, 5 June 2020 and 25 February 2020 respectively.
- (iii) As disclose in Note 1(d)(iii) the Company and certain subsidiaries have pending material litigations with financial institutions and creditors as detailed in Note 33 to the AFS and is also in negotiation with the creditors that have issued a notice or petition of winding up for out an amicable settlement.

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Nevertheless, this interim financial report has been prepared on a going concern basis premised on the following developments:

- (i) The Group on 8 September 2020, announced its intention to undertake the following:
 - a. Proposed private placement of 158,000,000 new ordinary shares in the Company ("**Placement Share(s)**") at an issue price of RM0.55 per Placement Share to be satisfied entirely via cash ("**Proposed Private Placement**"); and
 - b. Proposed diversification of the existing principal activities of the Company and its subsidiaries to include manufacturing, sales and marketing of gloves and other related activities ("**Proposed Diversification**").

Included therein, the Company also announced that it had entered into a Subscription Agreement with ADA Capital Investments Limited ("**ADA Capital**") on 8 September 2020 ("**the Subscription Agreement**") pursuant to which ADA Capital, on 11 September 2020, had deposited approximately RM30 million into stakeholder's account to be utilised for the Company's immediate requirements includes repayment of outstanding borrowings, repayment of outstanding creditors and for its working capital requirements.

- (ii) The Company's application for the Proposed Private Placement and Proposed Diversification was approved by Bursa Securities on 2 November 2020 and by the Company's shareholders on 27 November 2020. The Proposed Private Placement has been completed on 3 December 2020. As a result, the Group's current assets exceeded its current liabilities by RM51.262 million at the end of the financial period ended 30 September 2021.
- (iii) The Company and its subsidiaries, on 7 October 2020 paid Hong Leong Bank Berhad and subsequently on 17 November 2020, paid AmBank (M) Berhad and AmBank Islamic Berhad the agreed sums in full and final settlement of the outstanding amounts due to them and these banks have discontinued all legal action and/or suits with no liberty to file afresh.
- (iv) The Company has implemented the Proposed Diversification in order to generate adequate cash flows from its operating activities. The Company's subsidiary, Onetexx Sdn. Bhd. (formerly known as Super Trans Composite Products Sdn. Bhd.) ("**Onetexx**") commenced glove manufacturing operations in May 2021.
- (v) Continuing support from all stakeholders.

The directors of the Company are of the view that these developments will impact positively on the Group's cash flows and address its going concern.

Accordingly, the directors of the Company are of the opinion that it is appropriate for the financial statements to be prepared on a going concern basis.

A2. Auditors' Report on Preceding Annual Financial Statements

There were no audit qualifications on the annual financial statements for the year ended 30 June 2020.

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Notes to the Unaudited Interim Financial Report for the financial period ended 30 September 2021

A3. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any major seasonal or cyclical factors but was materially affected by the Movement Control Order (MCO) imposed by the Government resulting from the COVID-19 outbreak beginning from 18 March 2020 to 3 May 2020 and Conditional Movement Control Order ("CMCO") from 4 May 2020 to 6 June 2020 and subsequently Recovery Movement Control Order ("RMCO") effective for the period from 10 June 2020 to 31 December 2020 and extended to 31 March 2021.

Subsequently, on 13 January 2021, the Government imposed MCO 2.0 with effect from 13 January 2021 to 4 February 2021 and which was thereafter extended to 18 February 2021 then to 4 March 2021. On 11 May, Prime Minister Muhyiddin Yassin announced that the nationwide Movement Control Order 3.0 (MCO 3.0) would be reinstated from 12 May to 7 June. On 28 May, the Prime Minister announced that a nationwide "total lockdown" will be imposed on all social and economic sectors in Malaysia from 1 June to 14 June 2021. Under this lockdown, only essential economic and social services listed by the National Security Council will be allowed to operation. On 15 June 2021, the Prime Minister introduced a four-phase National Recovery Plan (NRP) to help the country emerge from the COVID-19 pandemic and its economic fallout. On 9 November, 2021, all states save for Kelantan and Sarawak entered Phase 4 of the NRP with business activities beginning to normalise subject to SOPs.

Meanwhile, due to the inherent nature and unpredictability of future developments because of the Covid-19 virus and market sentiment, the extent of the impact on the Group depends on ongoing precautionary measures introduced by the Government to address this pandemic and the duration of the pandemic. Management has considered the possible financial impact of the Covid-19 to the financial statements to the best of their knowledge. The directors will continue to monitor the situation and respond proactively to mitigate the impact on the Group's financial performance and financial position.

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 save for the Movement Control Order (MCO) imposed by the Government whereby the company's operation for express bus service has been temporarily suspended.

A5. Material Changes in Estimates

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

A6. Debt and Equity Securities

There was no issuance and repayment of debts securities during the quarter under review.

A7. Dividend Paid

There was no dividend paid during the quarter under review.

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Notes to the Unaudited Interim Financial Report for the financial period ended 30 September 2021

A8. Segmental Information

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

(i) For the fifteen (15) months ended 30 September 2021:

	Investment holding RM'000	City & Express Bus Services RM'000	Bus Production and Bus Repair & Maintenance Services RM'000	Glove Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External customers	-	2,035	2,208	23,571	-	27,814
Inter-segment revenue	-	-	-	-	-	-
Total revenue	<u>-</u>	<u>2,035</u>	<u>2,208</u>	<u>23,571</u>	<u>-</u>	<u>27,814</u>
Results						
Segment results	<u>45,763</u>	<u>38,112</u>	<u>3,310</u>	<u>8,719</u>	(92,161)	3,743
Depreciation and amortisation	(447)	(1,280)	-	(1,889)	(534)	(4,150)
Finance costs	107	594	-	(1,117)	-	(416)
Written down - building	-	-	-	(7,273)	-	(7,273)
Impairment on property, plant and equipment	-	(4,775)	-	-	-	(4,775)
Impairment on trade and other receivables	-	(4,658)	-	-	-	(4,658)
Impairment on inventories	-	-	-	-	-	-
Tax (under)/over provision	-	2,836	1,095	(1,991)	-	1,940
Consolidated Profit/(Loss) after taxation						<u>(15,589)</u>

As announced on 27 May 2021, the financial year end of the Group has been changed from 30 June 2021 to 30 September 2021. As such, no comparative financial information is available for the preceding year's corresponding periods.

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

A9. Revaluation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the quarter under review.

A10. Subsequent Events

There were no subsequent events save as disclosed in notes B8.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A12. Contingent Liabilities

The Group has no material contingent liabilities as at the date of this announcement, save as disclosed in Note B9 below.

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Notes to the Unaudited Interim Financial Report for the financial period ended 30 September 2021

A13. Capital Commitments

Capital expenditure approved and contracted for as at the end reporting date:	<u>RM '000</u> <u>73,506</u>
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A14. Significant Related Party Transactions

For the fifteen month period ended 30 September 2021, the group has recurrent related party transactions of a revenue or trading nature as follows:

Related Parties	Nature of Transactions	Current Year-To-Date 30/9/2021 RM'000
1) AMP	Purchase of bus spare parts / Car rental	53
2) ACSB	Rental of premises	105
3) ASF	Security services	811
4) AHESB	Repair and maintenance	640
5) SCLSB	Charter bus	810
6) SWCSB	Charter bus	-
7) CPSB	Rental of premises	303
		<u>2,722</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.
- 4) AHESB | Arca Hi-Tech Engineering Sdn Bhd is owned by Datuk Che Azizuddin and his wife. Datuk Che Azizuddin and his wife are also directors of AHESB.
- 5) SCLSB | Super Coachliner Sdn Bhd is owned by Arca Industries Sdn Bhd which is owned by Datuk Che Azizuddin and his wife. SCLSB's directors are Datuk Che Azizuddin and his son Che Aiman bin Che Azizuddin.
- 6) SWCSB | Stoneway Corporation Sdn Bhd is owned by Arca Industries Sdn Bhd which is owned by Datuk Che Azizuddin and his wife. SWCSB's directors are Datuk Che Azizuddin and his son Che Aiman bin Che Azizuddin.
- 7) CPSB | Child's Partner (M) Sdn Bhd is owned by Low Bok Tek, his wife Teong Lian Imm and his son Low Khai Loon. CPSB directors are Low Bok Tek, Low Khai Loon and his daughter Low Siew Hoon.

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Notes to the Unaudited Interim Financial Report for the financial period ended 30 September 2021

Part B | Explanatory Notes Pursuant to Appendix 9B of Bursa's Listing Requirements

B1. Review of Performance

	5th Quarter Ended	5th Quarter Ended	Current Period Ended	Corresponding Period Ended
	30-Sept-21 RM'000	30-Sept-20 RM'000	30-Sept-21 RM'000	30-Sept-20 RM'000
Revenue from:-				
Investment holding	-	-	-	-
Express and City bus services	-	-	2,035	-
Assembly and Maintenance of coaches	-	-	2,208	-
Glove Manufacturing	16,419	-	23,571	-
	16,419	-	27,814	-
Inter segment elimination	-	-	-	-
	16,419	-	27,814	-
Profit/(Loss) before taxation	1,735	-	(17,529)	-

As announced on 27 May 2021, the financial year end of the Group has been changed from 30 June 2021 to 30 September 2021. As such, no comparative financial information is available for the preceding year's corresponding periods.

The Group recorded total revenue of RM27,814 million for the fifteen month period ended 30 September 2021, approximately 84.75% of which was derived from its glove manufacturing business which contributed RM23.571 million thereto. The Group generated significantly lower revenue from its express and city bus services as a result of the suspension/reduction of operations due to the various movement control orders imposed by the Government. This decrease was however mitigated by contribution to revenue by the Group's glove manufacturing business.

The Group recorded Loss Before Tax of RM17.529 million for the fifteen month period ended 30 September 2021. The Loss Before Tax was mainly due to the significant reduction in revenue resulting from the suspension of its express bus operations and reduction of its city bus operations as well as additional impairments and write downs but was tempered by the positive contribution of the glove manufacturing business which generated RM16.419 million Revenue and contributed Profit Before Tax of RM1.735 million in the quarter under review.

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Notes to the Unaudited Interim Financial Report for the financial period ended 30 September 2021

Comparison with the Preceding Quarter's Results

	Current Quarter Ended 30/9/2021 RM'000	Preceding Quarter Ended 30/6/2021 RM'000	Variance RM'000	%
Revenue	16,419	7,708	8,711	113
Operating profit / (loss)	2,463	(14,515)	16,978	>100
Profit / (loss) before interest and tax	2,463	(14,515)	16,978	>100
Profit / (loss) before tax	1,735	(14,904)	16,639	>100
Profit / (loss) after tax	3,044	(15,352)	18,396	>100

The Group recorded Revenue of RM16.419 million in the quarter under review (which is approximately 113% higher compared to RM7.708 million in the preceding quarter) and a Profit Before Tax of RM1.735 million (as compared with loss before tax of RM14.904million in the preceding quarter). In exercising prudence in the quarter under review, the Group further impaired the value of buses in the sum of RM2.01 million which resulted a lower Profit Before Tax. However, such impairment was offset by the write back of deferred tax of RM2.811 million. Revenue and Profit Before Tax for the quarter under review was 100% generated by the Group's glove manufacturing business.

B3. Prospects

With the Group having successfully diversified into the glove manufacturing business through its subsidiary, Onetexx, the Group remains cautiously optimistic that it will be placed on a stronger operational and financial footing moving forward.

In respect of its glove manufacturing business, Onetexx's glove manufacturing facility commenced commercial operations in May, 2021. All 12 lines are scheduled to be fully commissioned by the end of 2021. Having come off its peak in 1H21, average selling prices for gloves has continued its downward trend. Notwithstanding the current re-balancing and re-stabilisation of the gloves market, the Group continues to see global demand for gloves trending upward in the mid to long term. Given this, the Group is cognisant of the continuing need and will use its best efforts to maintain and improve the quality of its products, operational efficiencies and to manage costs to remain competitive.

In respect of its express bus operations, the Group is planning to re-start operations in the near future, the speed of which will depend on market conditions including demand.

The Group has taken steps to build a strong foundation for and accelerate the development of its environment, social and governance (ESG) practice commencing with the appointment of Elevate Holdings Limited (www.elevatelimited.com) to advise and guide. Elevate is a global market leader with practical experience in ESG and supply chain services including foreign migrant worker matters.

In prioritising the well-being of its employees, the Group continues to be vigilant for COVID-19 in enforcing the comprehensive SOPs set to minimise COVID-19 infections in its operations.

B4. Profit Forecast or Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in the quarter under review or in the prior financial year.

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B5. Taxation

	Current Period Ended 30-Sept-21 RM'000
Income tax	1,905
Deferred tax	845
	<u>1,940</u>

B6. Disposal of Unquoted Investments and/or Properties

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

B7. Quoted Securities

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

B8. Status of Corporate Proposals

1. Heads of Agreement | Proposed Acquisition of Equity Interest in One Glove Venture Sdn. Bhd. (formerly known as Great Stylish Venture Sdn. Bhd.) ("OGVSB") ("Proposed Acquisition")

On 12 April 2021, the Company announced that it had on the same date, entered into a Heads of Agreement ("**HOA**") with BT Capital Sdn. Bhd. ("**BT Capital**") to explore and pursue a potential acquisition of an equity stake in OGVSB for a purchase consideration to be determined at a later date which will be satisfied via a combination of cash and/or issuance of shares and/or other securities of the Company ("**Consideration Security(ies)**") at an issue price of RM1.90 per Consideration Security subject to the signing of a definitive agreement between the Company and the Vendor within 3 months from the date of the HOA. On 9 July, 2021, the Company and BT Capital had mutually agree to extend the 3 month exclusivity period in the HOA ending on 11 July, 2021 for a further period ending 12 October, 2021 (inclusive).

The definitive agreement being the SSA as referred to in note B8(4) was executed on 30 August, 2021.

2. Share Sale Agreement | Proposed Acquisition

On 30 August, 2021, the Company entered into a conditional share sale agreement ("**SSA**") with BT Capital for the Proposed Acquisition pursuant to which the Company shall acquire 1,250,000 ordinary shares in OGVSB, representing a 25% equity interest in OGVSB, from BT Capital for a purchase consideration of RM100,000,000 ("**Purchase Consideration**") to be satisfied via the issuance of 52,631,579 new irredeemable convertible preference shares in the Company ("**ICPS**" or "**Consideration ICPS**") at an issue price of RM1.90 per Consideration ICPS upon the terms and conditions of the SSA.

The SSA is pending fulfilment of the conditions precedent as stated therein.

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3. Proposed Amendments to the Constitution of the Company

On 30 August, 2021, the Company announced the proposed amendments to the Constitution of the Company to facilitate the issuance of the Consideration ICPS as the Purchase Consideration for the Proposed Acquisition ("**Proposed Amendments**").

The Proposed Amendments remains subject to the approvals of Bursa Malaysia Securities Berhad to be ("**Bursa Securities**") and the Company's shareholders at a general meeting to be convened ("**EGM Approval**") and completion of the SSA in accordance with its terms.

4. Proposed Establishment of an Employee Share Option Scheme ("**ESOS**")

On 30 August, 2021, the Company announced the establishment of the ESOS of up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of the ESOS for eligible persons in recognition of their contributions towards the growth and performance of the Group ("**Proposed ESOS**").

The Proposed ESOS remains subject to the approvals of Bursa Malaysia and EGM Approval.

5. Proposed Change of Name of the Company ("**Proposed Name Change**")

On 30 August, 2021, the Company announced its proposal to change the name of the Company from "**GETS Global Berhad**" to "**One Glove Group Berhad**".

The Proposed Name Change remains subject to EGM Approval.

B9. Group Borrowing

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

	As at 30-Sept-21 RM'000
Short term:-	
Hire purchase payables	9,269
	<u>9,269</u>
Long term:-	
Term loans	40,000
Hire purchase payables	47,761
	<u>87,761</u>

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

As at 29 November, 2021, there is no material litigation against or commenced by the Group.

B12. Dividends

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

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B13. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

	Current quarter ended 30-Sept-21	Corresponding quarter ended 30-Sept-20	Current Period ended 30-Sept-21	Corresponding Period ended 30-Sept-20
Net profit/(loss) attributable to shareholders (RM '000)	3,822	-	(14,0252)	-
Weighted average number of ordinary shares in issue ('000)	284,000	-	284,000	-
Basic earnings/(loss) per ordinary share (sen)	<u>1.35</u>	<u>-</u>	<u>(4.94)</u>	<u>-</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.

As announced on 27 May 2021, the financial year end of the Group has been changed from 30 June 2021 to 30 September 2021. As such, no comparative financial information is available for the preceding year's corresponding periods.

(b) Diluted earnings per share

	Current quarter ended 30-Sept-21	Corresponding quarter ended 30-Sept-20	Current Period ended 30-Sept-21	Corresponding Period ended 30-Sept-20
Net profit/(loss) attributable to shareholders (RM '000)	3,822	-	(14,025)	-
Weighted number of ordinary shares in issue ('000)	126,000	-	126,000	-
Effect of dilution for the issuance of new shares	<u>104,411</u>	<u>-</u>	<u>104,411</u>	<u>-</u>
Adjusted weighted average number of ordinary shares for the purpose of diluted EPS	230,411	-	230,411	-
Diluted earnings/(loss) per ordinary share (sen)	<u>1.66</u>	<u>-</u>	<u>(6.09)</u>	<u>-</u>

The diluted 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 including the effects of all dilutive potential ordinary shares. The diluted loss per share is however similar to basic EPS due to antidilution effect.

As announced on 27 May 2021, the financial year end of the Group has been changed from 30 June 2021 to 30 September 2021. As such, no comparative financial information is available for the preceding year's corresponding periods.

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B14. Material Uncertainty Related to Going Concern

On 6 November, 2020 the Company announced that its external auditors, Messrs PKF, had expressed the following unqualified opinion with material uncertainty related to going concern in the Company's Audited Financial Statements for the financial year ended 30 June 2020:

Unqualified Opinion

We have audited the financial statements of GETS GLOBAL BERHAD, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 133.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2020, and of their financial performances and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- a) *As disclosed in Note 1(d)(i) to the financial statement, the Group and the Company incurred net losses of RM20,006,415 and RM65,419,013 respectively during the financial year ended 30 June 2020. As of that date, the Group's and the Company's current liabilities exceeded the current assets by RM46,461,312 and RM13,337,292 respectively and the Company also recorded shareholder deficiency of RM13,337,242 and also significant economic disruption associated with the Covid-19 pandemic indicating that a material uncertainty exists that may cast significant doubt on the Group's and on the Company's ability to continue as a going concern.*
- b) *As disclosed in Note 1(d)(ii), Note 23 and Note 33 to the financial statements, the Group and the Company had defaulted the principal and interest payments amounting to approximately RM20.1 million on its borrowing from AmBank Islamic Bank Berhad ("AmIslamic"), AmBank Berhad ("AmBank") and Hong Leong Bank Berhad ("HLBB") due to its financial constraints and summary of judgement had been awarded on 23 January 2020, 5 June 2020 and 25 February 2020 respectively.*

The winding up notice were served to the Group by AmIslamic on 13 July 2020 and AmBank on 2 July 2020.

On 2 March 2020, the Courts had granted the banks with the Order for Sale by public auction on the charged properties secured against the borrowing facilities of the Group. The auction of the said Property was fixed by the court on 24 September 2020.

- c) *As disclose in Note 1(d)(iii) the Company and certain subsidiaries have pending material litigations with financial institutions and creditors as detailed in Note 33 to the financial statements and is also in negotiation with the creditors that have issued a notice or petition of winding up for out an amicable settlement.*

The above events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns and therefore, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

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However, the Group on 8 September 2020, announced its intention to undertake the following:-

- (i) Proposed private placement of 158,000,000 new ordinary shares in GETS ("Placement Share(s)") at an issue price of RM0.55 per Placement Share to be satisfied entirely via cash ("Proposed Private Placement"); and
- (ii) Proposed diversification of the existing principal activities of GETS and its subsidiaries to include manufacturing, sales and marketing of gloves and other related activities ("Proposed Diversification").

Pursuant to Subscription Agreement dated 8 September 2020, ADA Capital Limited ("ADA Capital"), has advanced approximately RM30 million on 11 September 2020 to the Company upon the execution of the Subscription Agreement. The advance is deposited with the stakeholder. These funds are for the immediate utilisation of the Company includes repayment of outstanding borrowings, repayment of outstanding creditors and for its working capital requirements.

The Company on 7 October 2020 had fully settled its outstanding borrowing with Hong Leong Bank and in the midst of negotiation with AmBank and Amlslamic for full and final settlement amount.

On 10 September 2020, Amlslamic had also filed a Notice of Discontinuance of proceeding against the subsidiary's properties comprising of recovery of claimed sums, interests and costs whereby the Order for Sale was granted by the Court.

Therefore, the financial statements of the Group and of the Company have been prepared on a going concern basis, the validity of which is dependent on the successful implementation of the following:

- (i) Restructuring of the defaulted loan with the lenders;
- (ii) The completion of private placement of RM86.9 million;
- (iii) The ability of the Group and the Company to achieve sustainable and viable operations with adequate cash flows generate from their operating activities; and
- (iv) The continuing support from stakeholders.

Key Audit Matters

Should the going concern basis for the preparation of the financial statements be no longer appropriate, adjustments will have to be made to state the assets at their realisable values and to provide for further liabilities which may arise. Our opinion is not modified in respect of these matter.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

- (i) Recoverability of property, plant and equipment

Due to the reported losses of the Group for the current financial year, it has indicated the existence of impairment of certain property, plant and equipment of the Group and right of use assets.

In assessing the impairment of these assets, the Directors have compared their carrying amounts with their recoverable amounts. The asset's recoverable amount is the higher of an asset's fair value less costs to sell ("FVLCTS") and its value-in-use ("VIU"). For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow, described as cash-generating units ("CGU").

The Directors' assessment of the recoverable amounts based on VIU are determined by cash flow projections of the respective CGU. The cash flow projections are based on assumptions using management's estimation and judgement. The FVLCTS's value are determined based on assessment by management's expert.

Our procedures in assessment of FVLCTS provided by management's expert included:

- (a) Assessed the objectivity, independence, reputation, experience and expertise of the management's expert;
- (b) Review the methodology adopted by the management's expert in estimating the fair value of the assets and assessed whether such methodology is consistent with those used in the industry;

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- (c) *Evaluated the appropriateness of the data used by the management's expert as input into their valuations; and*
- (d) *Evaluate the appropriateness of their conclusions and the consistency with the other audit evidence obtained.*

Our procedures in assessment of VIU included:

- (a) *Assessing the management's methodology used in estimating the VIU and the assessment on the impact of Covid-19;*
- (b) *Critically challenged the key estimates and assumptions used including the revenue and cost estimation, checked the reliability of the management past forecast and also verified the discount rates used against independent sources; and*
- (c) *Evaluated the disclosures made in the notes to the financial statements, including the judgements and the uncertainties.*

(ii) *Recoverability of amount due from a related party*

Included in the Group's trade receivables is an amount of RM12,414,742 due from a related party, Super Coachliner Sdn. Bhd. ("SCL") as at 30 June 2020 of which shall be recovered through lease agreement for a period of five (5) years. The Directors has structured the repayment of the balance debt through lease of busses to Pengangkutan Awam Putrajaya Travel & Tours Sdn. Bhd. ("PAPTT") amounted to RM270,000 per month commencing in November 2019. Therefore, the recoverability of the amount due from this related party is dependent on the realisation of the following:

- (a) *The lease income payable by PAPTT amounted to RM270,000 per month; and*
- (b) *Successfully opposed and appeal against the winding-up petition from creditors.*

This indicate material uncertainty on the recoverable of the debts from SCL, however, the Directors are confident that the debt will be recovered and therefore, no impairment is required.

(iii) *Net realisable value of inventories*

The Group inventory balances as at the financial year ended amounted to RM2,163,883. Inventories constitute mainly raw material, work-in-progress, fuel and spare parts and used coaches for the purposes of trade and are measured at the lower of cost and net realisable value. The inventories written down during the current financial year amounted to RM2,217,079. The cost of inventories is measured based on weighted average cost, and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Changes to the assumptions could result in a material change in the carrying amounts of inventories and the associated movements recorded in the Statements of Profit or Loss and Other Comprehensive Income. There is therefore a risk that the estimates of net realisable values exceed future selling prices, resulting in more losses when inventories are sold. The determination of the estimated net realisable value of these inventories is critically dependent upon the Group's expectations of future selling price.

Our procedures included:

- (a) *Performed costing verification to assess whether costing system is appropriate and accurate;*
- (b) *Assessed the reliability of sales quotation obtained;*
- (c) *Testing the net realisable value of the inventories by referring to sales quotation obtained; and*
- (d) *Observed period end physical count of inventories to test the accuracy of the quantities reported in the stock listing.*

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(iv) *Net realisable value of inventories*

"Investment in subsidiary, Konsortium Bas Ekspres Semenanjung (M) Sdn. Bhd. ("KBESM"), of the Company as at 30 June 2020 amounted to RM60,461,894. In view of the adverse financial performance and financial condition of the subsidiaries, there are indications of impairment on the carrying amount of investments in subsidiaries.

In assessing the impairment of these assets, the Directors have compared their carrying amounts with their recoverable amounts. The asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow, described as cash-generating units ("CGU").

The Directors' assessment of the recoverable amounts of investment in subsidiaries are based on their fair value less costs to sell. The Directors have made impairment of the Investment in subsidiaries amounting to RM60,461,894.

The investments' fair value less costs to sell are based on assumptions using management's estimation and judgement which is inherently uncertain.

Our procedures included:

- (a) *Understanding of the business model that the Directors are pursuing, including obtained evidences based on past experiences;*
- (b) *Made enquiries to evaluate the basis of use of net asset value as approximate its fair value;*
- (c) *Evaluated the appropriateness of the measurement method used to determine the fair value of underlying assets of the investment; and*
- (d) *Evaluated the disclosures made in the notes to the financial statements, including the judgements and the uncertainties.*

Status

Following are the status of issues highlighted above:

- (i) The proposed Private Placement was completed on 3 December 2020 and the Company has received the subscription monies amounting to RM86.9 million in full.
- (ii) As of to-date, the Group has paid Hong Leong Bank Berhad, Ambank Islamic Berhad and AmBank Berhad the agreed sums, being the full and final settlement of all outstanding amounts owed by the Group. The Group is also in the midst of negotiating with remaining creditors for settlement.
- (iii) In respect of the RM10.33 million due from the related party company resulted from the sale of buses, KBESM is in the process of taking back possession of certain buses to offset amounts owing in respect of them (based on a valuation obtained from an independent third party valuer) and has impaired the balance of RM4.608 million in the preceding quarter.
- (iv) The Company has implemented the Proposed Diversification to generate adequate cash flows from its operating activities. The Company's subsidiary, Onetexx Sdn. Bhd. (formerly know as Super Trans Composite Products Sdn. Bhd.) ("**Onetexx**") commenced glove manufacturing operations in May 2021.
- (v) Continuing support from all stakeholders.

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

Dated 29 November, 2021