

G3 GLOBAL BERHAD (Company No. 570396-D)
(formerly known as Yen Global Berhad)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2017

(The figures have not been audited)

	As At End Of Current Quarter 30.7.17 RM'000	As At Preceding Financial Year End 31.7.16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,111	17,941
Investment property	114	115
Intangible assets	115	244
	20,340	18,300
Current assets		
Inventories	12,001	15,837
Trade receivables	9,951	11,774
Other receivables and deposits	1,417	938
Current tax assets	94	94
Cash and bank balances	2,230	8,655
	25,693	37,298
Assets classified as held for sale	-	2,774
TOTAL ASSETS	46,033	58,372
EQUITY & LIABILITIES		
Equity attributable to owners of the parent		
Share capital	68,750	68,750
Share premium	239	239
Retained profits	(48,739)	(43,111)
Total equity	20,250	25,878
Non-current liabilities		
Deferred taxation	2,919	2,919
	2,919	2,919
Current liabilities		
Trade payables	7,398	14,025
Other payables and accruals	5,771	5,546
Borrowings	9,695	10,004
	22,864	29,575
Total liabilities	25,783	32,494
TOTAL EQUITY & LIABILITIES	46,033	58,372
Net Assets per Share (RM)	0.1473	0.1878

Note :

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the year ended 31 July 2016.

G3 GLOBAL BERHAD (Company No. 570396-D)
(formerly known as Yen Global Berhad)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JULY 2017
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	30.7.17	30.7.16	30.7.17	30.7.16
	RM'000	RM'000	RM'000	RM'000
	(3 months)	(3 months)	(12 months)	(12 months)
Revenue	10,353	20,959	27,243	38,112
Operating expenses	(10,201)	(26,640)	(34,623)	(53,802)
Other operating income	263	581	2,384	1,854
Profit (loss) from operations	415	(5,100)	(4,996)	(13,836)
Finance cost	(150)	(125)	(632)	(593)
Profit (loss) before tax	265	(5,225)	(5,628)	(14,429)
Taxation	-	117	-	102
Net profit (loss) for the period	265	(5,108)	(5,628)	(14,327)
Other comprehensive income/(loss), net of tax	-	-	-	-
Total comprehensive loss for the period	265	(5,108)	(5,628)	(14,327)
Profit (loss) attributable to:				
Equity holders of the parent	265	(5,108)	(5,628)	(14,327)
Non-controlling interests	-	-	-	-
Net loss for the period	265	(5,108)	(5,628)	(14,327)
Basic earnings(loss) per share attributable to owners of the parent (sen)	0.19	(4.08)	(4.09)	(11.44)

Note :

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the year ended 31 July 2016.

G3 GLOBAL BERHAD (Company No. 570396-D)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JULY 2017
(The figures have not been audited)

	-----Attributable to Owners of the Company-----					Non- controlling Interests	Total Equity
	-----Non-distributable-----				Total		
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Accumulated Losses RM'000			
Fourth Quarter ended <u>30.7.17</u>							
Balance at 1.8.2016	68,750	239	-	(43,111)	25,878	-	25,878
Treasury shares sold	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(5,628)	(5,628)	-	(5,628)
Balance at 31.7.2017	<u>68,750</u>	<u>239</u>	<u>-</u>	<u>(48,739)</u>	<u>20,250</u>	<u>-</u>	<u>20,250</u>
Fourth Quarter ended <u>31.7.16</u>							
Balance at 1.8.2015	62,500	21	(112)	(28,832)	33,577	-	33,577
Treasury shares sold	-	-	112	-	112	-	112
Issue of new shares	6,250	218	-	-	6,468	-	6,468
Total comprehensive loss for the period	-	-	-	(14,327)	(14,327)	-	(14,327)
Balance at 31.7.2016	<u>68,750</u>	<u>239</u>	<u>-</u>	<u>(43,159)</u>	<u>25,830</u>	<u>-</u>	<u>25,830</u>

Note :

The unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the financial statements for the year ended 31 July 2016. The accompanying notes are an integral part of this statement.

G3 GLOBAL BERHAD (Company No. 570396-D)

(formerly known as Yen Global Berhad)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JULY 2017**

(The figures have not been audited)

	Cumulative Current Year Quarter 30.7.17 RM'000	Cumulative Preceding Year Quarter 30.7.16 RM'000
Cash flows from operating activities		
Loss before taxation	(5,628)	(14,429)
Adjustments for :		
- Non-cash items	1,268	1,522
- Non-operating items	632	593
Operating loss before working capital changes	<u>(3,728)</u>	<u>(12,314)</u>
Inventories	3,835	13,198
Receivables	1,344	(1,576)
Payables	<u>(6,078)</u>	<u>1,152</u>
Cash from operations	(4,627)	460
Interest paid	(632)	(593)
Income tax refunded (paid)	-	328
Net cash (used in)/from operating activities	<u>(5,259)</u>	<u>195</u>
Cash flows from investing activities		
Issue of shares	<u> </u>	<u>6,250</u> <u>218</u>
Disposal of subsidiary, net of cash	2,450	-
Sale of treasury shares	-	112
Purchase of property, plant and equipment	<u>(3,308)</u>	<u>(350)</u>
Net cash from/(used in) investing activities	(858)	6,230
Cash flows from financing activities		
(Payment)/ Drawdown of bankers acceptance	<u>(1,763)</u>	<u>764</u>
(Payment)/ Drawdown of factoring liabilities	(30)	-
Repayment of bank borrowings	<u>-</u>	<u>-</u>
Net cash used in financing activities	(1,793)	764
Net (decrease)/increase in cash and cash equivalents	<u>(7,910)</u>	<u>7,189</u>
Cash and cash equivalents at beginning	5,186	(1,841)
Cash and cash equivalents at end	<u>(2,724)</u>	<u>5,348</u>
Represented by:		
Cash and bank balances	2,230	8,816
Bank overdrafts	<u>(4,954)</u>	<u>(3,468)</u>
	<u>(2,724)</u>	<u>5,348</u>

Note :

The Condensed Consolidated Cash Flow Statement should be read in conjunction Financial Report for the year ended 31 July 2016 and the accompanying explanatory to the interim financial statements.

SELECTED EXPLANATORY NOTES
31 JULY 2017

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS"), MFRS 134: Interim Financial Reporting and paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 July 2016. These 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 G3 Global Berhad. ("G3" or "Company") and its subsidiary companies (hereinafter referred to as the "Group") since the financial year ended 31 July 2016.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial year ended 31 July, 2016.

2. Audit Report

The auditors' report on the financial statements for the year ended 31 July 2016 was not qualified.

3. Seasonality or Cyclicity

Major festivals and carnival sales have an impact on revenue and earnings of the Group's Apparel Division, which is involved in the distribution of fashion apparels. The ICT Division is not subject to seasonal factors.

4. Exceptional items

There were no exceptional items for the period under review.

5. Estimates

There were no changes to the estimates that have been used in the preparation of the current financial statements.

6. Changes in debt or equity securities

There were no issuance or repayment of debt or equity securities for the current financial year to date.

7. Dividends

No dividend has been proposed for the current financial period to date.

8. Segmental Reporting

The analysis of the Group by business activities is as follows:

	<u>Apparel</u>	<u>ICT</u>	<u>Total</u>
<u>Period ended 31 July 2017</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	25,689	1,554	27,243
Profit(loss) before tax	(2,980)	(2,648)	(5,628)

As at 31 July 2017

Assets Employed	40,974	5,060	46,034
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Geographical Segments

The business of the Group is managed principally in Malaysia and its products are distributed mainly in Malaysia. Geographical segmental information is not prepared as the Group's revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and non-cash expenses are mainly confined to one geographical segment.

SELECTED EXPLANATORY NOTES
31 JULY 2017

9 Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the year ended 31 July 2016.

10 Subsequent Events

There were no material events that have arisen between the end of the reporting quarter and the date of this announcement.

11 Changes In The Composition of The Group

Changes in the composition of the Group for the financial year to date are as follows:

Atilze Digital Sdn Bhd, a wholly-owned subsidiary of G3 has on 27 October 2016 acquired 85.71% of the issued and paid-up share capital comprising 2,400 ordinary shares of RM1.00 each in Above Drive Sdn. Bhd, for a total cash consideration of RM2,400.

12 Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets of a material nature as at the date of this report.

13 Capital Commitments

There are no outstanding capital commitments at the end of the current quarter.

14 Review Of Performance

Group turnover for the quarter dipped to RM10.4 million which is 50.6% lower as compared to RM20.9 million as recorded in the corresponding quarter in the previous year. The drop in turnover as compared to the previous period was largely due to drop in sales at the ICT Division which is still at its infancy stage and sales contribution are mainly by way of project basis. However, the Group managed to achieve a profit before tax of RM265,000 for the quarter as compared to a loss of RM5.6 million suffered in the corresponding quarter last year due to impairment of slow-moving inventories in the previous quarter.

On a cumulative basis group turnover for the 12 month period dropped by 45.0% as compared to the previous period. However, loss before tax was RM5.2 million, which is significantly lower than the previous period of RM14.3 million.

15 Material change in profit before taxation as compared to preceding quarter

The turnover of RM10.4 million achieved this quarter represents an increase of 82.4% as compared to the turnover of RM5.7 million for the immediate preceding quarter. Higher sales was achieved in this quarter as it captures the peak season during the Hari Raya Puasa festive period. In view of the higher turnover, the Group managed to achieve a profit before tax of RM265,000 this quarter as compared to the loss of RM2.1 million recorded in the previous quarter.

16 Current Year Prospects

Depressed market condition has affected the apparel industry and as a result Group turnover for the year to date has dropped and we do not foresee an uptrend for the rest of the financial year. Our new venture into the ICT business, specifically in the business of supplying Internet of Things (IoT) connected objects and devices has yet to contribute significantly to the Group at this stage. However as the Group is working on closing several major ICT projects, the division is projected to start contributing to Group results by the next financial year. As such, the Group do not expect to see a turnaround in its results for the current financial period.

17 Taxation

Current Year Quarter	Current Year To Date
31.7.17	31.7.17
RM'000	RM'000

Taxation comprise the following :

Based on profit for the period :

- Current tax	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>

SELECTED EXPLANATORY NOTES
31 JULY 2017

Reconciliation of statutory tax rate to effective tax rate :

	Current Year Quarter 31.7.17 %	Current Year To Date 31.7.17 %
Statutory tax rate	25	25
Tax impact of losses in subsidiary companies	<u>(25)</u>	<u>(25)</u>
	<u>-</u>	<u>-</u>

18 Treasury Shares

As at to date, the Company does not hold any treasury shares.

19 Corporate Proposals

The Company has on 22 November 2016 announced the following proposals incorporating subsequent amendments as follows:

- (i) proposed share capital reduction of G3 Global of RM55 million pursuant to S.116 of the Companies Act 2016.
- (ii) proposed renounceable rights issue of up to 275,000,000 new G3 Global Shares on the basis of two (2) Rights Shares for every one (1) existing G3 Global Share (held after the Proposed Share Capital Reduction on an entitlement date fixed on 7th September 2017, together with up to 206,250,000 free detachable warrants on the basis of 3 Warrants for every 4 Rights Shares subscribed by the entitled shareholders;

The proposed share capital reduction has been approved by the High Court on 26 July 2017 and duly registered with Suruhanjaya Syarikat Malaysia on 18 August 2017.

The proposed Rights Issue has closed for application on 25 September 2017 and the new shares and warrants are expected to be issued and quoted on Bursa Malaysia in early October 2017.

20 Group Borrowings and Debt Securities

Group borrowings	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term</u>			
Bank Overdraft	4,954	-	4,954
Bankers acceptance	<u>4,741</u>	<u>-</u>	<u>4,741</u>
Total	<u>9,695</u>	<u>-</u>	<u>9,695</u>

21 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

22 Material Litigation

The Group does not have any material litigation as at the date of this report.

SELECTED EXPLANATORY NOTES
31 JULY 2017

23 Profit/(Loss) Before Taxation

This is arrived at:

	Current Year Quarter 31.7.17 RM'000	Current Year To Date 31.7.17 RM'000
After Charging :		
Depreciation and amortization	484	1,268
Interest expense	150	632
And Crediting :		
Royalty income	130	1,206
Rental income	77	143
	<u> </u>	<u> </u>

24 Basis of calculation of loss per share

The basic loss per share for the quarter and cumulative year to date are computed as follow:

	Individual Current Year Quarter 31.7.17	Cumulative Current Year To Date 31.7.17
Net profit (loss) for the period (RM'000)	<u> 265 </u>	<u> (5,628) </u>
Weighted average number of ordinary shares in issue ('000)	<u> 137,500 </u>	<u> 137,500 </u>
Basic Profit (Loss) Per Share (sen)	<u> 0.19 </u>	<u> (4.09) </u>

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the reported quarter and year.

25 Change of Financial Year End

On 13 June 2017, the Board of Directors has approved the change in the financial year end of the Company from 31 July to 31 December. As such, the current financial period will be for a period of 17 months from 1 August 2016 to 31 December 2017. Thereafter, the financial year of the Company shall revert to twelve (12) months ending 31 December, for 2018 and subsequent years.