

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017
(The figures have not been audited)

	As At End Of Current Quarter 31.10.17 RM'000	As At Preceding Financial Year End 31.7.16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	18,137	17,941
Investment property	114	115
Intangible assets	2,856	244
	21,107	18,300
Current assets		
Inventories	11,841	15,837
Trade receivables	7,250	11,774
Other receivables and deposits	3,199	938
Current tax assets	23	94
Cash and bank balances	43,874	8,655
	66,187	37,298
Assets classified as held for sale	-	2,774
TOTAL ASSETS	87,294	58,372
EQUITY & LIABILITIES		
Equity attributable to owners of the parent		
Share capital	68,750	68,750
Share premium	-	239
Retained profits	2,402	(43,111)
Total equity	71,152	25,878
Non-current liabilities		
Deferred taxation	2,919	2,919
	2,919	2,919
Current liabilities		
Trade payables	5,219	14,025
Other payables and accruals	4,564	5,546
Borrowings	3,440	10,004
	13,223	29,575
Total liabilities	16,142	32,494
TOTAL EQUITY & LIABILITIES	87,294	58,372
Net Assets per Share (RM)	0.1725	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 31 OCTOBER 2017
(The figures have not been audited)

	Individual Quarter Current Year Quarter 31.10.17 RM'000 (3 months)	Preceding Year Corresponding Quarter 31.10.16 RM'000	Cumulative Quarter Current Year To Date 31.10.17 RM'000 (15 months)	Preceding Year Corresponding Quarter 31.10.16 RM'000
Revenue	2,833	-	30,076	-
Operating expenses	(6,523)	-	(41,146)	-
Other operating income	641	-	3,025	-
Profit (loss) from operations	(3,049)	-	(8,045)	-
Finance cost	(130)	-	(762)	-
Profit (loss) before tax	(3,179)	-	(8,807)	-
Taxation	-	-	-	-
Net profit (loss) for the period	(3,179)	-	(8,807)	-
Other comprehensive income/(loss), net of tax	-	-	-	-
Total comprehensive loss for the period	(3,179)	-	(8,807)	-
Profit (loss) attributable to:				
Equity holders of the parent	(3,179)	-	(8,807)	-
Non-controlling interests	-	-	-	-
Net loss for the period	(3,179)	-	(8,807)	-
Basic earnings(loss) per share attributable to owners of the parent (sen)	(2.31)	-	(6.41)	-

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.

Due to the change in financial year end from 31 July 2017 to 31 December 2017, there are no comparative figures for this quarter.

G3 GLOBAL BERHAD (Company No. 570396-D)

(formerly known as Yen Global Berhad)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 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			
Other Quarter ended <u>31.10.17</u>							
Balance at 1.8.2016	68,750	239	-	(43,111)	25,878	-	25,878
Share capital reduction	(55,000)	-	-	55,000	-	-	-
Rights issue	55,000				55,000		55,000
Share issue expenses		(239)		(680)	(919)		(919)
Total comprehensive loss for the period	-	-	-	(8,807)	(8,807)	-	(8,807)
Balance at 31.10.2017	<u>68,750</u>	<u>-</u>	<u>-</u>	<u>2,402</u>	<u>71,152</u>	<u>-</u>	<u>71,152</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 Group's financial statements for the year ended 31 July 2016. The accompanying notes are an intergral 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 31 OCTOBER 2017
(The figures have not been audited)

	Cumulative Current Year Quarter 31.10.17 RM'000	Cumulative Preceding Year Quarter N/A RM'000
Cash flows from operating activities		
Loss before taxation	(8,807)	-
Adjustments for :		
- Non-cash items	1,471	-
- Non-operating items	762	-
Operating loss before working capital changes	(6,574)	-
Inventories	3,996	-
Receivables	2,263	-
Payables	(9,483)	-
Cash from operations	(9,798)	-
Interest paid	(762)	-
Income tax refunded (paid)	90	-
Net cash (used in)/from operating activities	(10,470)	-
Cash flows from investing activities		
Disposal of subsidiary, net of cash	2,450	-
Purchase of property, plant and equipment	(4,278)	-
Net cash from/(used in) investing activities	(1,828)	-
Cash flows from financing activities		
Rights issue	55,000	-
Share issue expenses	(919)	-
(Payment)/ Drawdown of bankers acceptance	(3,057)	-
(Payment)/ Drawdown of factoring liabilities	(30)	-
Repayment of bank borrowings	(8)	-
Net cash used in financing activities	50,986	-
Net (decrease)/increase in cash and cash equivalents	38,688	-
Cash and cash equivalents at beginning	5,186	-
Cash and cash equivalents at end	43,874	-
Represented by:		
Cash and bank balances	43,874	-
Bank overdrafts	-	-
	43,874	-

Note :

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

Due to the change in financial year end from 31 July 2017 to 31 December 2017, there are no comparative figures for this quarter.

SELECTED EXPLANATORY NOTES
31 OCTOBER 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

As approved by the High Court on 26 July 2017, the share capital of the Company was reduced on 18 August 2017 after duly registered with Suruhanjaya Syarikat Malaysia, from RM68,750,000 to RM13,750,000.

The Company's rights issue of 275,000,000 new ordinary Shares on the basis of two (2) Rights Shares for every one (1) existing share held after the Share Capital Reduction, together with 206,249,978 free detachable warrants on the basis of 3 Warrants for every 4 Rights Shares subscribed by the entitled shareholders, was completed on 5 October 2017. After the rights issue, the share capital of the Company stands at RM68,750,000 comprising of 412,500,000 ordinary shares.

7 Dividends

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

SELECTED EXPLANATORY NOTES
31 OCTOBER 2017

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 October 2017</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	28,388	1,688	30,076
Profit(loss) before tax	(4,689)	(4,118)	(8,807)
<u>As at 31 October 2017</u>			
Assets Employed	39,037	48,257	87,294

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.

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 achieved for the quarter was RM2.8 million. The turnover achieved was lower than usual as this period record the low season of the year. In view of the low turnover and high start up costs incurred at the ICT division, the Group incurred a loss before tax of RM3.2 million for the reported quarter.

On a cumulative basis, the Group recorded a turnover for the 15 month period of RM30.1 million. However, in view of unfavourable market conditions and high start up costs incurred by the ICT business, loss before tax was RM8.8 million. Due to the change in the financial year end of the Group, there are no comparative analysis.

SELECTED EXPLANATORY NOTES
31 OCTOBER 2017

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

The turnover of RM2.8 million achieved this quarter represents an drop of 73.14% as compared to the turnover of RM10.4 million achieved for the immediate preceding quarter. Lower sales was achieved in this quarter as it captures the low season as compared to the Hari Raya Puasa festive period in the preceding quarter. In view of the lower turnover, the Group suffered a loss before tax of RM3.2 million this quarter as compared to a profit of RM265,000 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 incurred some development and start up costs for its first financial year. As such, the Group do not expect to see an improvement in its results for the current financial period.

17 Taxation

	Current Year Quarter 31.10.17 RM'000	Current Year To Date 31.10.17 RM'000
Taxation comprise the following :		
Based on profit for the period :		
- Current tax	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>

Reconciliation of statutory tax rate to effective tax rate :

	Current Year Quarter 31.10.17 %	Current Year To Date 31.10.17 %
Statutory tax rate	24	24
Tax impact of losses in subsidiary companies	<u>(24)</u>	<u>(24)</u>
	<u>-</u>	<u>-</u>

18 Treasury Shares

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

19 Group Borrowings and Debt Securities

	Secured RM'000	Unsecured RM'000	Total RM'000
Group borrowings			
<u>Short term</u>			
Bank Overdraft	-	-	-
Bankers acceptance	<u>3,440</u>	<u>-</u>	<u>3,440</u>
Total	<u>3,440</u>	<u>-</u>	<u>3,440</u>

20 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.

SELECTED EXPLANATORY NOTES
31 OCTOBER 2017

21 Material Litigation

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

22 Profit /(Loss) Before Taxation

This is arrived at:

	Current Year Quarter 31.10.17 RM'000	Current Year To Date 31.10.17 RM'000
After Charging :		
Depreciation and amortization	202	1,470
Interest expense	130	762
And Crediting :		
Royalty income	318	1,648
Rental income	47	264
	<u> </u>	<u> </u>

23 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 31.10.17	Cumulative Current Year To Date 31.10.17
Net profit (loss) for the period (RM'000)	<u>(3,179)</u>	<u>(8,807)</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>(2.31)</u>	<u>(6.41)</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.

24 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.