

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

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

	As At End Of Current Period 31.12.17 RM'000	As At Preceding Financial Year End 31.7.16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,537	17,941
Investment property	110	115
Intangible assets	3,448	244
	<u>5,095</u>	<u>18,300</u>
Current assets		
Inventories	11,497	15,837
Trade receivables	4,158	11,774
Other receivables and deposits	1,319	938
Current tax assets	23	94
Cash and bank balances	39,805	8,655
	<u>56,802</u>	<u>37,298</u>
Assets classified as held for sale	<u>19,733</u>	<u>2,774</u>
TOTAL ASSETS	<u>81,630</u>	<u>58,372</u>
EQUITY & LIABILITIES		
Equity attributable to owners of the parent		
Share capital	68,750	68,750
Share premium	-	239
Accumulated losses	(909)	(43,111)
Total equity	<u>67,841</u>	<u>25,878</u>
Non-current liabilities		
Deferred taxation	-	2,919
	<u>-</u>	<u>2,919</u>
Current liabilities		
Trade payables	3,211	14,025
Other payables and accruals	4,913	5,362
Borrowings	2,158	9,864
	<u>10,282</u>	<u>29,251</u>
Liabilities classified as held for sale	<u>3,507</u>	<u>324</u>
Total liabilities	<u>13,789</u>	<u>32,494</u>
TOTAL EQUITY & LIBILITIES	<u>81,630</u>	<u>58,372</u>
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 DECEMBER 2017
(The figures have not been audited)

	Individual Quarter Current Year Period 31.12.17 RM'000 (2 months)	Preceding Year Corresponding Period 31.12.16 RM'000	Cumulative Quarter Current Year To Date 31.12.17 RM'000 (17 months)	Preceding Year To Date 31.12.16 RM'000
Revenue	2,462	-	31,038	-
Operating expenses	(7,627)	-	(47,273)	-
Other operating income	556	-	3,581	-
Profit (loss) from operations	(4,609)	-	(12,654)	-
Finance cost	18	-	(744)	-
Profit (loss) before tax	(4,591)	-	(13,398)	-
Taxation	600	-	600	-
Net profit (loss) for the period	(3,991)	-	(12,798)	-
Other comprehensive income/(loss), net of tax	-	-	-	-
Total comprehensive loss for the period	(3,991)	-	(12,798)	-
Basic loss per share attributable to owners of the parent (sen)	(0.97)	-	(6.98)	-

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 DECEMBER 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			
Period ended <u>31.12.17</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)		-	(239)		(239)
Total comprehensive loss for the period	-	-	-	(12,798)	(12,798)	-	(12,798)
Balance at 31.12.2017	<u>68,750</u>	<u>-</u>	<u>-</u>	<u>(909)</u>	<u>67,841</u>	<u>-</u>	<u>67,841</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)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017****(The figures have not been audited)**

	Cumulative Current Year Period 31.12.17 RM'000	Cumulative Preceding Year Period N/A RM'000
Cash flows from operating activities		
Loss before taxation	(13,398)	-
Adjustments for :		
- Non-cash items	6,048	-
- Non-operating items	744	-
Operating loss before working capital changes	(6,606)	-
Inventories	2,045	-
Receivables	6,264	-
Payables	(9,226)	-
Cash from operations	(7,523)	-
Interest paid	(744)	-
Income tax refunded (paid)	90	-
Net cash (used in)/from operating activities	(8,177)	-
Cash flows from investing activities		
Interest received	618	-
Development costs	(3,493)	-
Purchase of property, plant and equipment	(1,751)	-
Net cash from/(used in) investing activities	(4,626)	-
Cash flows from financing activities		
Net changes in related companies	(5,260)	-
Net changes in holding company	49,216	-
(Repayment)/ Drawdown of bankers acceptance	(4,101)	-
Payment of finance lease	(44)	-
Proceeds from issue of shares	7,500	-
Proceeds from disposal of treasury shares	148	-
Payment of private placement expenses	(69)	-
Net cash used in financing activities	47,390	-
Net (decrease)/increase in cash and cash equivalents	34,587	-
Effects of changes in exchange rates	32	-
Cash and cash equivalents at beginning	5,186	-
Cash and cash equivalents at end	39,805	-
Represented by:		
Cash and bank balances	39,805	-
Bank overdrafts	-	-
	39,805	-

Note :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with Financial Report for the year ended 31 July 2016 and the accompanying explanatory 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 DECEMBER 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 DECEMBER 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 December 2017</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	29,243	1,795	31,038
Loss before tax	(7,536)	(5,862)	(13,398)
 <u>As at 31 December 2017</u>			
Assets Employed	38,752	42,878	81,630

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 period.

14 Review Of Performance

Group turnover achieved for the quarter was RM2.5million. The turnover achieved was lower than normal as this reporting period was for 2 months only due to the change in financial year end. In view of the low turnover, the Group incurred a loss before tax of RM4.6 million for the reported period.

On a cumulative basis, the Group recorded a turnover for the 17 month period of RM31.0 million. However, in view of unfavourable market conditions and high start up costs incurred by the ICT business, loss before tax was RM13.4 million. Due to the change in the financial year end of the Group, there are no comparative analysis.

SELECTED EXPLANATORY NOTES
31 DECEMBER 2017

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

The turnover of RM2.5million achieved in this 2-month period represents a drop of 10% as compared to the turnover of RM2.8 million achieved for the immediate preceding financial period. Lower sales was achieved due to the shorter period. In view of the lower turnover, the Group suffered a higher loss before tax of RM4.6 million this reporting period as compared to a loss of RM3.2 million recorded in the previous period.

16 Current Year Prospects

Market conditions remain unfavourable for the apparel industry and as a result turnover for the 17 month period of RM29.2 million for the apparel division reflects the poor sentiment. Our new venture into the ICT business, has incurred some development and start up costs for its first financial period and has incurred a loss of RM5.8 million. By expanding into the ICT business, the Group is optimistic that it has set its course in the right direction and as long as we are able to seize opportunities as they come by, the Group expects to see an improvement in its results for the current financial year.

17 Taxation

	Current Year Period 31.12.17 RM'000	Current Year To Date 31.12.17 RM'000
Taxation comprise the following :		
Based on profit for the period :		
- Current tax(overprovision)	(600)	(600)
- Deferred taxation	-	-
	<u>(600)</u>	<u>(600)</u>

Reconciliation of statutory tax rate to effective tax rate :

	Current Year Period 31.12.17 %	Current Year To Date 31.12.17 %
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>2,158</u>	<u>-</u>	<u>2,158</u>
Total	<u>2,158</u>	<u>-</u>	<u>2,158</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 DECEMBER 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 Period 31.12.17 RM'000	Current Year To Date 31.12.17 RM'000
After Charging :		
Depreciation and amortization	47	1,517
Interest expense	-	744
And Crediting :		
Royalty income	55	1,703
Rental income	32	296
	<u> </u>	<u> </u>

23 Basis of calculation of loss per share

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

	Individual Current Year Period 31.12.17	Cumulative Current Year To Date 31.12.17
Net profit (loss) for the period (RM'000)	<u>(3,991)</u>	<u>(12,798)</u>
Weighted average number of ordinary shares in issue ('000)	<u>412,500</u>	<u>183,333</u>
Basic Profit (Loss) Per Share (sen)	<u>(0.97)</u>	<u>(6.98)</u>

24 Utilisation of proceeds

Proceeds amounting to MR55 million from the rights issue completed on 5 October 2017 has been utilised as follows as at 31 December 2017:

Utilisation Purpose	Proceeds Utilisation RM'000	Actual Utilised To Date RM'000	Balance Unutilised RM'000	Proposed Timeframe for utilisation
Expansion of ICT business	37,113	3,342	33,771	Within 24 months
Expansion of apparel business	4,375	0	4,375	Within 24 months
Repayment of borrowings	8,000	8,000	0	Within 3 months
Working capital	4,312	4,312	0	Within 6 months
Corporate exercise expenses	1,200	1,200	0	Within 2 weeks
	<u>55,000</u>	<u>16,854</u>	<u>38,146</u>	

SELECTED EXPLANATORY NOTES
31 DECEMBER 2017

25 Corporate Proposals

On 19 December 2017, the Company has signed conditional Share Sale Agreements with Jelapang Subur Sdn Bhd for the disposal of 100% equity in 2 wholly owned subsidiaries being 100,000 ordinary shares in Evatech Sdn Bhd for a cash consideration of RM11,254,000 and 200,000 ordinary shares in Uni Jeans Care Sdn Bhd for a cash consideration of RM1,732,000. The proposals are pending completion as at the date of this report.

26 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 is 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.