

G3 GLOBAL BERHAD (Company No. 570396-D)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2018****(The figures have not been audited)**

	As At End Of Current Quarter 31.3.18 RM'000	As At Preceding Financial Period End 31.12.17 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,353	1,900
Investment property	110	110
Intangible assets	3,694	3,333
	<u>5,157</u>	<u>5,343</u>
Current assets		
Inventories	10,342	11,497
Trade receivables	3,980	4,158
Other receivables and deposits	15,990	5,096
Current tax assets	23	23
Cash and bank balances	21,339	39,805
	<u>51,674</u>	<u>60,579</u>
Assets classified as held for sale	20,009	19,485
TOTAL ASSETS	<u>76,840</u>	<u>85,407</u>
EQUITY & LIABILITIES		
Equity attributable to owners of the parent		
Share capital	68,750	68,750
Share premium	-	-
Accumulated losses	(4,884)	(908)
Total equity	<u>63,866</u>	<u>67,842</u>
Non-current liabilities		
Deferred taxation	446	-
	<u>446</u>	<u>-</u>
Current liabilities		
Trade payables	3,474	3,292
Other payables and accruals	5,476	4,762
Borrowings	-	2,158
Current tax liabilities	19	19
	<u>8,969</u>	<u>10,231</u>
Liabilities classified as held for sale	3,559	7,334
Total liabilities	<u>12,974</u>	<u>17,565</u>
TOTAL EQUITY & LIABILITIES	<u>76,840</u>	<u>85,407</u>
Net Assets per Share (RM)	0.1548	0.1725

Note :

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the period ended 31 December 2017.

G3 GLOBAL BERHAD (Company No. 570396-D)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2018****(The figures have not been audited)**

	Individual Quarter Current Year Quarter 31.3.18 RM'000	Preceding Year Corresponding Quarter 31.3.17 RM'000	Cumulative Quarter Current Year To Date 31.3.18 RM'000	Preceding Year Corresponding Quarter 31.3.17 RM'000
Revenue	4,390	-	4,390	-
Operating expenses	(9,294)	-	(9,294)	-
Other operating income	951	-	951	-
Profit (loss) from operations	(3,953)	-	(3,953)	-
Finance cost	(22)	-	(22)	-
Profit (loss) before tax	(3,975)	-	(3,975)	-
Taxation	-	-	-	-
Net profit (loss) for the period	(3,975)	-	(3,975)	-
Other comprehensive income/(loss), net of tax	-	-	-	-
Total comprehensive loss for the period	(3,975)	-	(3,975)	-
Basic loss per share attributable to owners of the parent (sen)	(0.96)	-	(0.96)	-

Note :

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the period ended 31 December 2017.

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)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

(The figures have not been audited)

	<-----Attributable to Owners of the Company----->				Non- controlling Interests	Total Equity
	<-----Non-distributable----->		Accumulated Losses	Total		
	Share Capital RM'000	Share Premium RM'000			RM'000	RM'000
First Quarter ended						
<u>31.3.18</u>						
Balance at 1.1.2018	68,750	-	(909)	67,841	-	67,841
Share capital reduction		-		-	-	-
Rights issue				-		-
Share issue expenses		-	-	-		-
Total comprehensive loss for the period	-	-	(3,975)	(3,975)	-	(3,975)
Balance at 31.3.2018	<u>68,750</u>	<u>-</u>	<u>(4,884)</u>	<u>63,866</u>	<u>-</u>	<u>63,866</u>
Other Quarter 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>(909)</u>	<u>67,841</u>	<u>-</u>	<u>67,841</u>

Note :

The unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited financial statements for the period ended 31 December 2017. The accompanying notes are an intergral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018
(The figures have not been audited)**

	Cumulative Current Year Quarter 31.3.18 RM'000	Cumulative Preceding Year Quarter N/A RM'000
Cash flows from operating activities		
Loss before taxation	(3,975)	-
Adjustments for :		
- Non-cash items	868	-
- Non-operating items	22	-
Operating loss before working capital changes	<u>(3,085)</u>	<u>-</u>
Inventories	1,154	-
Receivables	(14,543)	-
Payables	804	-
Cash from operations	<u>(15,670)</u>	<u>-</u>
Interest paid	(22)	-
Income tax refunded (paid)	-	-
Net cash (used in)/from operating activities	<u>(15,692)</u>	<u>-</u>
Cash flows from investing activities		
Interest received	-	-
Development costs	-	-
Changes in assets held for sale	(474)	-
Purchase of property, plant and equipment	(235)	-
Net cash from/(used in) investing activities	<u>(709)</u>	<u>-</u>
Cash flows from financing activities		
(Repayment)/ Drawdown of bankers acceptance	(2,065)	-
Payment of finance lease	-	-
Repayment of bank borrowings	-	-
Net cash used in financing activities	<u>(2,065)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	<u>(18,466)</u>	<u>-</u>
Cash and cash equivalents at beginning	<u>39,805</u>	<u>-</u>
Cash and cash equivalents at end	<u><u>21,339</u></u>	<u><u>-</u></u>
Represented by:		
Cash and bank balances	21,339	-
Bank overdrafts	-	-
	<u><u>21,339</u></u>	<u><u>-</u></u>

Note :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with Financial Report for the period ended 31 December 2017 and the accompanying 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 MARCH 2018

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 period ended 31 December 2017. 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 period ended 31 December 2017.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial period ended 31 December 2017.

2 Audit Report

The auditors' report on the financial statements for the period ended 31 December 2017 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>Period ended 31 March 2018</u>	<u>Apparel</u> <u>RM'000</u>	<u>ICT</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Revenue	4,333	57	4,390
Loss before tax	(1,795)	(2,180)	(3,975)
<u>As at 31 March 2018</u>			
Assets Employed	36,160	40,680	76,840

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 MARCH 2018**

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 period ended 31 December 2017.

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

There were no changes in the composition of the Group for the financial year to date.

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 RM4.4 million. Although the quarter captures the Chinese New Year festive period, poor market sentiment has caused sales for the quarter to be lower than normal. The Group recorded a loss before tax of RM3.9 million for the quarter due to lower sales and high start up costs incurred by the ICT business.

Due to the change in the financial year end of the Group, there are no comparative analysis.

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

The turnover of RM4.4 million for this quarter was much higher than that achieved in the preceding 2-month period of RM2.5 million. The previous reporting period was for 2 months due to the change in the financial year end of the Company. In view of the higher turnover, the Group suffered a lower loss before tax of RM3.9 million for this reporting quarter as compared to a loss of RM4.6 million recorded in the previous period.

16 Current Year Prospects

For the apparel division, turnover continues to be dampened by the slow market conditions. We hope for pick up in market sentiment in the later part of the year due to zero rating of GST and other encouraging economic factors. The ICT business which has recently been set up, has incurred some development and start up costs and we hope to see contribution to sales from this division in this financial year. By this expansion into the ICT business, the Group is hopeful for better performance in its results for the current financial year.

SELECTED EXPLANATORY NOTES
31 MARCH 2018

17 Taxation

	Current Year Quarter 31.3.18 RM'000	Current Year To Date 31.3.18 RM'000
Taxation comprise the following :		
Based on profit for the period :		
- Current tax(overprovision)	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Reconciliation of statutory tax rate to effective tax rate :		
	Current Year Quarter 31.3.18 %	Current Year To Date 31.3.18 %
Statutory tax rate	24	24
Tax impact of losses in subsidiary companies	<u>(24)</u>	<u>(24)</u>
	<u>-</u>	<u>-</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

There were no borrowings or debt securities as at end of the quarter.

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.

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 31.3.18 RM'000	Current Year To Date 31.3.18 RM'000
After Charging :		
Depreciation and amortization	190	190
Interest expense	22	22
And Crediting :		
Royalty income	452	452
Rental income	47	47
	<u>452</u>	<u>452</u>
	<u>47</u>	<u>47</u>

SELECTED EXPLANATORY NOTES
31 MARCH 2018

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 31.3.18	Cumulative Current Year To Date 31.3.18
Net profit (loss) for the period (RM'000)	<u>(3,975)</u>	<u>(3,975)</u>
Weighted average number of ordinary shares in issue ('000)	<u>412,500</u>	<u>412,500</u>
Basic Profit (Loss) Per Share (sen)	<u>(0.96)</u>	<u>(0.96)</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 March 2018:

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	9,014	28,099	Within 24 months
Expansion of apparel business	4,375	4,375	0	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>26,901</u>	<u>28,099</u>	

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.