

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2021****(The figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 31.03.21 RM'000	As At Preceding Financial Year Ended (Audited) 31.12.20 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	804	1,448
Intangible assets	130	130
	<u>934</u>	<u>1,578</u>
Current assets		
Inventories	2,975	2,961
Trade receivables	9,526	8,284
Other receivables and deposits	10,758	10,352
Cash and bank balances	11,150	5,761
	<u>34,409</u>	<u>27,358</u>
TOTAL ASSETS	<u>35,343</u>	<u>28,936</u>
EQUITY & LIABILITIES		
Equity attributable to owners of the parent		
Share capital	80,905	74,316
Accumulated losses	(48,022)	(47,885)
	<u>32,883</u>	<u>26,431</u>
Non-controlling interest	29	31
Total equity	<u>32,912</u>	<u>26,462</u>
Current liabilities		
Trade payables	1,358	1,387
Other payables and accruals	941	724
Lease liabilities	113	344
Current tax liabilities	19	19
	<u>2,431</u>	<u>2,474</u>
Total liabilities	<u>2,431</u>	<u>2,474</u>
TOTAL EQUITY & LIABILITIES	<u>35,343</u>	<u>28,936</u>
Net Assets per Share (RM)	0.02	0.06

Note :

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter (Unaudited) 31.03.21 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31.03.20 RM'000	Current Year To Date (Unaudited) 31.03.21 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31.03.20 RM'000
Revenue	1,201	6,834	1,201	6,834
Operating expenses	(1,364)	(9,002)	(1,364)	(9,002)
Other operating income	24	57	24	57
Loss from operations	(139)	(2,111)	(139)	(2,111)
Finance cost	-	(3)	-	(3)
Loss before tax	(139)	(2,114)	(139)	(2,114)
Taxation	-	-	-	-
Total comprehensive loss for the financial year	(139)	(2,114)	(139)	(2,114)
Loss/Total comprehensive loss for the financial year attributable to:-				
Non-controlling interest	(2)	*	(2)	*
Total comprehensive loss for the financial year attributable to owners of the parent	(137)	(2,114)	(137)	(2,114)
	(139)	(2,114)	(139)	(2,114)
* amount below RM1,000				
Basic loss per share attributable to owners of the parent (sen)	(0.01)	(0.45)	(0.01)	(0.45)
Diluted loss per share	(0.01)	(0.34)	(0.01)	(0.34)

Note :

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020.

G3 GLOBAL BERHAD (Company No. 200201002733 (570396-D))**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021
(The figures have not been audited)**

	-----Attributable to owners of the parent-----			Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000		
Financial Year Ended 31.03.21					
Balance at 1.1.2021	74,316	(47,885)	26,431	31	26,462
Transactions with owners:					
Issue of new shares	6,589	-	6,589	-	6,589
Total comprehensive loss for the financial year	-	(137)	(137)	(2)	(139)
Balance at 31.03.2021	<u>80,905</u>	<u>(48,022)</u>	<u>32,883</u>	<u>29</u>	<u>32,912</u>
Financial Year Ended 31.03.20					
Balance at 1.1.2020	74,303	(34,497)	39,806	36	39,842
Transactions with owners:					
Issue of new shares	4	-	4	-	4
Total comprehensive loss for the financial year	-	(2,114)	(2,114)	*	(2,114)
Balance at 31.03.2020	<u>74,307</u>	<u>(36,611)</u>	<u>37,696</u>	<u>35</u>	<u>37,731</u>

* amount below RM1,000

Note :

The unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020. The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

(The figures have not been audited)

	Cumulative Current Year Period 31.03.21 RM'000	Cumulative Preceding Year Period 30.03.20 RM'000
Cash flows from operating activities		
Loss before taxation	(139)	(2,114)
Adjustments for:		
- Non-cash items	333	352
- Non-operating items	296	(54)
Operating loss before working capital changes	490	(1,816)
Inventories	(14)	(1,493)
Receivables	(1,648)	4,453
Contract liabilities	(17)	(83)
Payables	(26)	1,280
Cash used in operations	(1,215)	2,341
Income tax paid	-	-
Net cash used in operating activities	(1,215)	2,341
Cash flows from investing activities		
Interest received	17	57
Purchase of property, plant and equipment	-	(123)
Net cash used in investing activities	17	(66)
Cash flows from financing activities		
Proceeds from issuance of shares	6,589	4
Interest paid	(2)	(3)
Net cash from financing activities	6,587	1
Net changes in cash and cash equivalents	5,389	2,276
Cash and cash equivalents at beginning	5,761	10,353
Cash and cash equivalents at end	11,150	12,629
Represented by:		
Cash and bank balances	11,150	12,629

* Amount below RM1,000

Note :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2020 and the accompanying notes to the interim financial statements.

G3 GLOBAL BERHAD (Company No. 200201002733 (570396-D))

**A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting
31 MARCH 2021**

A1 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 are unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. 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 subsidiaries (hereinafter referred to as the "Group") since the financial year ended 31 December 2020.

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 December 2020.

A2 Changes in accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2020 except for the new standards, amendments to publish standards and interpretations that are mandatory for the Group's financial year beginning on or after 1 January 2021 as set out below:

- a) Amendments to MFRS 101 and MFRS 108- Definition of Material
- b) Amendments to MFRS 3- Reference to the Conceptual Framework
- c) Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 - Interest Rate Benchmark Reform
- d) Amendments to MFRS 16 - COVID-19 Related Rent Concenssions beyond 30 June 2021

The adoption of the above standards and interpretations does not have significant financial impact to the Group's consolidated financial statements.

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 January 2021, and have yet to be adopted by the Group:

- a) MFRS 17 - Insurance Contracts
- b) Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current
- c) Amendments to MFRS 116 - Property, Plant and Equipment
- d) Amendments to MFRS 137 - Onerous Contracts-Cost of Fulfilling a Contract
- e) Annual Improvement to MFRS Standards 2018-2020

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not qualified.

A4 Seasonality or Cyclicity

The Group's operations is not affected by any seasonal and cyclical factors.

A5 Exceptional items

There were no exceptional items for the financial period under review.

A6 Estimates

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

A7 Changes in debt or equity securities

Prior to Bonus Issue Entitlement Date 24 March 2021

For the current quarter ended 31 March 2021, 65,888,325 warrants were exercised to 65,888,325 new ordinary shares at the issue price of RM0.10 each being issue.

After Bonus Issue Entitlement Date 24 March 2021

For the current quarter ended 31 March 2021, 28,000,000 warrants were exercised to 28,000,000 new ordinary shares at the issue price of RM0.03 each being issue.

As at 31 March 2021, the total number of Warrants which remained unexercised were 310,797,164.

A8 Dividends

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

**A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting
31 MARCH 2021**

A9 Segmental Reporting

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

<u>Period ended 31 Mar 2021</u>	ICT Division RM'000	Apparel Division * RM'000	Total RM'000
Revenue	1,201	-	1,201
Loss before tax	(139)	-	(139)
<u>As at 31 Mar 2021</u>			
Assets Employed	35,343	**	35,343

* all companies under Apparel Division are dormant as at 31 March 2021

** Amount below RM1,000

<u>Period ended 31 Mar 2020</u>	Total Continuing Operations RM'000	Discontinued Operations RM'000	Total RM'000
Revenue	6,834	-	6,834
Loss before tax	(2,107)	(7)	(2,114)
<u>As at 31 Mar 2020</u>			
Assets Employed	44,865	2	44,867

Geographical Segments

The business of the Group is managed principally in Malaysia and its services provided are 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.

A10 Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the last unaudited financial statements for the financial year ended 31 December 2020.

A11 Significant and Subsequent Events

- G3 announced on 8 December 2020 that G3 Global proposes to undertake a bonus issue of up to 1,856,249,934 Bonus Shares, on the basis of 3 Bonus Shares for each Share held by the shareholders of the Company. On 5 February 2021, the Proposed Bonus Issue in G3 has been approved by G3 shareholders.
- G3 announced on 20 January 2021 to propose revision of the authority to issue shares as approved by the shareholders at the Eighteenth Annual General Meeting held on 29 July 2020 ("Proposed Revision of the Authority to Allot Shares"). On 5 February 2021, the Proposed revision of the Authority to Issue Shares has been approved by G3 shareholders.

A12 Changes In The Composition of The Group

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

A13 Contingent Liabilities and Contingent Assets

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

A14 Capital Commitments

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

A15 Group Borrowings and Debt Securities

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

A16 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.

A17 Material Litigation

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

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities**B1 Review of the performance of the Group**

Financial review for current quarter and financial period to date:-

	Individual Quarter		% Change	Cumulative Quarter		% Change
	Current Year	Preceding Year		Current Year	Preceding Year	
	Quarter 31.03.21 RM'000	Corresponding Quarter 31.03.20 RM'000		To Date 31.03.21 RM'000	Corresponding Quarter 31.03.20 RM'000	
Revenue	1,201	6,834	-82%	1,201	6,834	-82%
Operating Loss	(139)	(2,111)	93%	(139)	(2,111)	93%
Loss Before Tax	(139)	(2,114)	93%	(139)	(2,114)	93%
Loss After Tax	(139)	(2,114)	93%	(139)	(2,114)	93%
Loss Attributable to Owners of the Parent	(137)	(2,114)	94%	(137)	(2,114)	94%

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	% Change	Current Year	Preceding Year	% Change
	Quarter 31.03.21 RM'000	Corresponding Quarter 31.03.20 RM'000		To Date 31.03.21 RM'000	Corresponding Quarter 31.03.20 RM'000	
ICT	1,201	6,834	-82%	1,201	6,834	-82%

The drop in revenue for Q1, 2021 compared to Q1, 2020 were due to delay in securing key projects anticipated to start in Q1, 2021 due to Movement Control Order ("MCO") 2.0 and worsened economy in Malaysia due to worsening of current pandemic situation.

Loss from operations contribution comprises the following:-

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	% Change	Current Year	Preceding Year	% Change
	Quarter 31.03.21 RM'000	Corresponding Quarter 31.03.20 RM'000		To Date 31.03.21 RM'000	Corresponding Quarter 31.03.20 RM'000	
ICT	(139)	(2,111)	93%	(139)	(2,111)	93%

Overall operating cost for G3 Group has dropped by 93% due to the cost rationalisation exercise implemented during the financial year 2021. The Group has also commenced slowing down operations on non-profitable services such as Internet of Things ("IoT") and Mobility in year 2021 which contributed further in reducing cost.

Loss after tax comprises the following:-

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	% Change	Current Year	Preceding Year	% Change
	Quarter 31.03.21 RM'000	Corresponding Quarter 31.03.20 RM'000		To Date 31.03.21 RM'000	Corresponding Quarter 31.03.20 RM'000	
ICT	(139)	(2,114)	93%	(139)	(2,114)	93%

Overall operating cost for G3 Group has dropped due to the cost rationalisation exercise implemented and slowing down of non-profitable services during the financial year 2021 which shows an improvement of 93% in loss after tax.

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities**B2 Material changes in the quarterly results compared to the results of the preceding quarter**

Financial review for current quarter compared with immediate preceding quarter:-

	Individual Quarter		% Change
	Current Year Quarter 31.03.21 RM'000	Immediate Preceding Quarter 31.12.20 RM'000	
Revenue	1,201	2,287	-47%
Operating Loss	(139)	(6,960)	98%
Loss Before Tax	(139)	(6,971)	98%
Loss After Tax	(139)	(6,973)	98%
Loss Attributable to Owners of the Parent	(137)	(6,971)	98%

The overall higher operating loss in Q4,2020 compared to Q1,2021 due to additional cost incurred in preparation of AI park and expensed of research and development cost. In addition, the Group in Q1,2021 has slowed down non-profitable services during the financial year 2021 which contributed the decrease in loss after tax by 98%.

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter 31.03.21 RM'000	Immediate Preceding Quarter 31.12.20 RM'000	
ICT	<u>1,201</u>	<u>2,287</u>	-47%

Overall revenue for G3 Group is lower in Q1,2021 by 47% compared to Q4,2020 due to delay in key projects from customers which expected to be secured in Q4,2020 and executed in Q1, 2021.

Loss from operations contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter 31.03.21 RM'000	Immediate Preceding Quarter 31.12.20 RM'000	
ICT	<u>(139)</u>	<u>(6,960)</u>	98%

Loss after tax contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter 31.03.21 RM'000	Immediate Preceding Quarter 31.12.20 RM'000	
ICT	<u>(139)</u>	<u>(6,973)</u>	98%

The overall higher operating loss in Q4,2020 compared to Q1,2021 due to additional cost incurred in preparation of AI park and expensed of research and development cost. In addition, the Group in Q1,2021 has slowed down non-profitable services during the financial year 2021 which contributed the decrease in loss after tax by 98%.

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities

B3 Current prospects and progress on previously announced financial estimates

G3 Group overall revenue has dropped in Q1, 2021 due to MCO 2.0 but the impact from the drop in revenue has been reduced due to proper cost rationalisation as well as slowing down of non-profitable services such as IoT and Mobility.

In view of the current COVID-19 pandemic, the operating environment is challenging. Notwithstanding that, the board will continue to focus on the following initiatives:

1. Pursue and secure key projects
2. Increase business development efforts to boost revenue from Artificial Intelligence products and services
3. Sustaining the current cost structure
4. Corporate exercise to raise funds

Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced

There was no financial forecast previously announced by the Group

B4 Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable.

B5 Financial estimate, forecast or projection / profit guarantee

There was no financial estimate, forecast or projection and profit guarantee issued by the Group.

B6 Income tax expense

Financial period ended
31.03.2021
RM'000

Current financial year tax expense

-

B7 Dividends

No dividend has been declared or recommended in respect of the current financial period under review.

B8 Earnings per share

Basic loss per share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.21	Preceding Year Corresponding Quarter 31.03.20	Current Year To Date 31.03.21	Preceding Year Corresponding Quarter 31.03.20
Loss attributable to ordinary equity holders of the Company (RM'000)	(139)	(2,114)	(139)	(2,114)
Weighted average numbers of ordinary shares in issue ('000)	1,634,242	468,034	1,634,242	468,034
Basic earning per share (sen)	(0.01)	(0.45)	(0.01)	(0.45)

Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.21	Preceding Year Corresponding Quarter 31.03.20	Current Year To Date 31.03.21	Preceding Year Corresponding Quarter 31.03.20
Loss attributable to ordinary equity holders of the Company (RM'000)	(139)	(2,114)	(139)	(2,114)
Weighted average numbers of ordinary shares in issue ('000)	1,634,242	468,034	1,634,242	468,034
Adjustment for dilutive effect of warrants ('000)	310,797	150,686	310,797	150,686
	1,945,039	618,720	1,945,039	618,720
Diluted earning per share (sen)	(0.01)	(0.34)	(0.01)	(0.34)

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities

B9 Loss Before Taxation

This is arrived at:

	Current Year Quarter 31.03.21 RM'000	Current Year To Date 31.03.21 RM'000
After charging :		
Depreciation and amortization	164	164
Interest expense on lease liability	2	2
And crediting :		
Interest income	<u>17</u>	<u>17</u>

B10 Authorisation for issue

The interim financials statements were authorised for release by the Board of Directors on 27 May 2021.