

G3 GLOBAL BERHAD (Company No. 200201002733 (570396-D))**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021****(The figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 31.12.21 RM'000	As At Preceding Financial Year Ended (Audited) 31.12.20 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	674	1,448
Intangible assets	-	130
	674	1,578
Current assets		
Inventories	807	2,961
Trade receivables	14,790	8,284
Other receivables and deposits	3,701	10,352
Cash and bank balances	9,387	5,761
	28,685	27,358
TOTAL ASSETS	29,359	28,936
EQUITY & LIABILITIES		
Equity attributable to owners of the parent		
Share capital	81,746	74,316
Accumulated losses	(59,180)	(47,885)
	22,566	26,431
Non-controlling interest	958	31
Total equity	23,524	26,462
Current liabilities		
Trade payables	3,968	1,387
Other payables and accruals	1,096	724
Lease liabilities	173	344
Current tax liabilities	598	19
	5,835	2,474
Total liabilities	5,835	2,474
TOTAL EQUITY & LIABILITIES	29,359	28,936
Net Assets per Share (RM)	0.01	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 DECEMBER 2021**
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter (Unaudited) 31.12.21 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31.12.20 RM'000	Current Year To Date (Unaudited) 31.12.21 RM'000	Preceding Year Corresponding Quarter (Audited) 31.12.20 RM'000
Revenue	18,794	2,287	23,600	15,029
Operating expenses	(26,113)	(9,304)	(34,698)	(28,931)
Other operating income	50	57	1,891	529
Loss from operations	(7,269)	(6,960)	(9,207)	(13,373)
Finance cost	(3)	(11)	(8)	(19)
Loss before tax	(7,272)	(6,971)	(9,215)	(13,392)
Taxation	(1,175)	(2)	(1,178)	(2)
Total comprehensive loss for the financial year	(8,447)	(6,973)	(10,393)	(13,394)
Total comprehensive loss for the financial year attributable to:-				
Non-controlling interest	225	(2)	902	(6)
Total comprehensive loss for the financial year attributable to owners of the parent	(8,672)	(6,971)	(11,295)	(13,388)
	(8,447)	(6,973)	(10,393)	(13,394)
Basic loss per share attributable to owners of the parent (sen)	(0.40)	(1.49)	(0.53)	(2.86)
Diluted loss per share (sen)	(0.36)	(1.14)	(0.47)	(2.19)

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.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 31.12.21 (Unaudited)					
Balance at 1.1.2021	74,316	(47,885)	26,431	31	26,462
Transactions with owners:					
Issue of new shares	7,430	-	7,430	-	7,430
Acquisition of a subsidiary	-	-	-	(23)	(23)
Subscription of shares in a subsidiary by Non-controlling interest	-	-	-	48	48
Total comprehensive loss for the financial year	-	(11,295)	(11,295)	902	(10,393)
Balance at 31.12.2021	<u>81,746</u>	<u>(59,180)</u>	<u>22,566</u>	<u>958</u>	<u>23,524</u>
Financial Year Ended 31.12.20 (Audited)					
Balance at 1.1.2020	74,303	(34,497)	39,806	36	39,842
Transactions with owners:					
Issue of new shares	13	-	13	-	13
Acquisition of equity interest from non-controlling interest	-	-	-	1	1
Total comprehensive loss for the financial year	-	(13,388)	(13,388)	(6)	(13,394)
Balance at 31.12.2020	<u>74,316</u>	<u>(47,885)</u>	<u>26,431</u>	<u>31</u>	<u>26,462</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 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 DECEMBER 2021
(The figures have not been audited)**

	Cumulative Current Year Period 31.12.21 RM'000 (Unaudited)	Cumulative Preceding Year Period 31.12.20 RM'000 (Audited)
Cash flows from operating activities		
Loss before taxation	(9,215)	(13,392)
Adjustments for:		
- Non-cash items	8,620	6,165
- Non-operating items	(170)	(99)
Operating loss before working capital changes	<u>(765)</u>	<u>(7,326)</u>
Inventories	140	(1,949)
Receivables	(5,224)	8,470
Contract liabilities	(76)	(8)
Payables	2,829	(3,342)
Cash used in operations	<u>(3,096)</u>	<u>(4,155)</u>
Income tax paid	(600)	(3)
Net cash used in operating activities	<u>(3,696)</u>	<u>(4,158)</u>
Cash flows from investing activities		
Interest received	177	118
Net cash (outflows) / inflow from disposal of subsidiaries	-	(62)
Acquisition of a subsidiary, net of cash acquired	(50)	-
Proceed from disposal of property, plant and equipment	-	3
Purchase of property, plant and equipment	(12)	(152)
Net cash from/(used) in investing activities	115	(93)
Cash flows from financing activities		
Proceeds from issuance of shares	7,430	14
Interest paid	(8)	(19)
Subscription of shares in a subsidiary by non-controlling interest	48	
Repayment of finance lease liabilities	(263)	(336)
Net cash from financing activities	7,207	(341)
Net changes in cash and cash equivalents	<u>3,626</u>	<u>(4,592)</u>
Cash and cash equivalents at beginning	<u>5,761</u>	<u>10,353</u>
Cash and cash equivalents at end	<u><u>9,387</u></u>	<u><u>5,761</u></u>
Represented by:		
Cash and bank balances	<u><u>9,387</u></u>	<u><u>5,761</u></u>

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.

A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting 31 December 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
- e) Amendments to MFRS 112 - Deferred Tax Related to Assets and Liabilities arising from a single transaction
- f) Amendments to MFRS 17 - Comparative Information

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 and Amendment to 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

For the current quarter ended 31 December 2021, no warrants were exercised. As at 31 December 2021, the total number of Warrants which remained unexercised were 310,753,164.

Other than above, no issuance or repayment of debt or equity securities for the current financial year to date.

A8 Dividends

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

A9 Segmental Reporting

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

Period ended 31 December	ICT Division RM'000	Healthcare RM'000	Apparel Division * RM'000	Total RM'000
<u>2021</u>				
Revenue	2,163	21,437	-	23,600
Profit before tax	(11,692)	2,477	**	(9,215)
<u>As at 31 December 2021</u>				
Assets Employed	16,092	13,267	-	29,359

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

G3 GLOBAL BERHAD (Company No. 200201002733 (570396-D))**A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting
31 December 2021****A9 Segmental Reporting (cont'd)**

<u>Period ended 31 December</u> <u>2020</u>	ICT Division RM'000	Healthcare RM'000	Apparel Division RM'000	Total RM'000
Revenue	15,029	-	-	15,029
Loss before tax	(13,366)	-	(26)	(13,392)
<u>As at 31 December 2020</u>				
Assets Employed	28,936	-	**	28,936

** Amount below RM1,000

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 audited financial statements for the financial year ended 31 December 2020.

A11 Significant and Subsequent Events

- G3 Global Berhad ("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.
- As at 6 August 2021, provision of financial assistance ceased following the termination of the Business Development Agreement between AG3 Sdn. Bhd. and KOP Mantap Berhad and it does not have material impact on the share capital, earnings, net assets and gearing of G3 Group. AG3 is a 60% owned subsidiary of G3 and its principal activity is to provide security guards digital platform services.
- G3 announce that the Company proposes to undertake the following:
 - proposed diversification of the existing business activities of G3 and its subsidiaries into the healthcare related business which includes the distribution of coronavirus disease 2019 test kits ("Proposed Diversification"); and
 - proposed private placement of up to 432,849,300 new ordinary shares in G3, representing 20% of the total issued Shares to independent third-party investors to be identified later and at an issue price to be determined later.

A12 Changes In The Composition of The Group

G3 has acquired 51% of shares in Bestinet Healthcare Sdn Bhd ("BHSB") on 8 September 2021 for a cash consideration of RM51,000 as part of the G3 Group's plan to expand into healthcare sector. On 24 December 2021, G3 further retained its 51% shareholding in BHSB by purchasing additional 50,490 shares for a cash consideration of RM50,490. As at the date of this report, the share capital of BHSB is RM100,000. The principal activity is to carry on business dealing with pharmaceutical, medicines & health products as well as investment holding company.

The acquisition on the new subsidiary company will not have a material effect on the share capital and net tangible assets of G3 Group for the financial year ended 31 December 2021. However, it is expected to contribute positively to the earnings of the Group for the financial year ended 31 December 2021.

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 Quarter 31.12.21 RM'000	Preceding Year Corresponding Quarter 31.12.20 RM'000		Current Year To Date 31.12.21 RM'000	Preceding Year Corresponding Quarter 31.12.20 RM'000	
Revenue	18,794	2,287	722%	23,600	15,029	57%
Operating Loss	(7,269)	(6,960)	-4%	(9,207)	(13,373)	31%
Loss Before Tax	(7,272)	(6,971)	-4%	(9,215)	(13,392)	31%
Loss After Tax	(8,447)	(6,973)	-21%	(10,393)	(13,394)	22%
Loss Attributable to Owners of the Parent	(8,672)	(6,971)	-24%	(11,295)	(13,388)	16%

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	Individual Quarter		% Change	Cumulative Quarter		% Change
	Current Year Quarter 31.12.21 RM'000	Preceding Year Corresponding Quarter 31.12.20 RM'000		Current Year To Date 31.12.21 RM'000	Preceding Year Corresponding Quarter 31.12.20 RM'000	
ICT	15	2,287	-99%	2,163	15,029	-86%
Healthcare	18,779	-	>100%	21,437	-	>100%
	<u>18,794</u>	<u>2,287</u>		<u>23,600</u>	<u>15,029</u>	

Revenue for G3 increased from RM15.0million in financial year 31 December 2020 to RM23.6million in financial year 31 December 2021 mainly due to sale of antigen kits by Healthcare Division which contributed to RM21.4million of revenue.

The lower revenue of RM2.2million in financial year 31 December 2021 generated by ICT Division as compared to the previous financial year 31 December 2020 of RM15.0million were due to slower demand for G3 Group products and services as well as delay in projects to be awarded to G3 Group in view of being affected by the current pandemic.

Loss from operations contribution comprises the following:-

	Individual Quarter		% Change	Cumulative Quarter		% Change
	Current Year Quarter 31.12.21 RM'000	Preceding Year Corresponding Quarter 31.12.20 RM'000		Current Year To Date 31.12.21 RM'000	Preceding Year Corresponding Quarter 31.12.20 RM'000	
ICT	(8,406)	(6,960)	-21%	(11,686)	(13,373)	13%
Healthcare	1,137	-	>100%	2,477	-	>100%
	<u>(7,269)</u>	<u>(6,960)</u>		<u>(9,209)</u>	<u>(13,373)</u>	

Loss from operations improved from RM13.4million in financial year 2020 to RM9.2million in financial year 2021 due to profit contribution from Healthcare Division of RM2.5million in 2nd half of financial year 2021.

The losses from ICT Division reduced from RM13.4million to RM11.7million due to cost rationalisation exercise by G3 and its subsidiaries. However, the reduction is offset by the following:

- Provision for amount due from trade debtors of RM2.9million in Q4,2021
- Impairment of smart mobility and IoT inventories of RM2.2million in Q4,2021

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities**B1 Review of the performance of the Group (cont'd)**

Loss after tax comprises the following:-

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	% Change	Current Year To Date	Preceding Year Corresponding Quarter	% Change
	31.12.21	31.12.20		31.12.21	31.12.20	
	RM'000	RM'000		RM'000	RM'000	
ICT	(8,986)	(6,973)	-29%	(12,272)	(13,394)	8%
Healthcare	539	-	>100%	1,879	-	>100%
	<u>(8,447)</u>	<u>(6,973)</u>		<u>(10,393)</u>	<u>(13,394)</u>	

For financial year 2021, G3 has incurred income tax expense of RM1.2m.

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	Immediate Preceding Quarter	
	31.12.21	30.09.21	
	RM'000	RM'000	
Revenue	18,794	2,836	563%
Operating Loss	(7,269)	(2,109)	-245%
Loss Before Tax	(7,272)	(2,114)	-244%
Loss After Tax	(8,447)	(2,115)	-299%
Loss Attributable to Owners of the Parent	(8,672)	(2,796)	-210%

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter	Immediate Preceding Quarter	
	31.12.21	30.09.21	
	RM'000	RM'000	
ICT	15	178	-92%
Healthcare	18,779	2,658	607%
	<u>18,794</u>	<u>2,836</u>	

Revenue improved from RM2.8million in Q3,2021 to RM18.8million in Q4, 2021 mainly due to growth in sale of antigen kits through G3's Healthcare Division. The demand for ICT Division's products and services remained low for both Q3,2021 and Q4,2021 generating RM178k and RM15k revenue, respectively.

Loss from operations contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter	Immediate Preceding Quarter	
	31.12.21	30.09.21	
	RM'000	RM'000	
ICT	(8,406)	(3,449)	144%
Healthcare	1,137	1,340	-15%
	<u>(7,269)</u>	<u>(2,109)</u>	

The losses from ICT Division increased from RM3.4million in Q3,2021 to RM8.4million in Q4,2021 due to the following:

- Provision for amount due from trade debtors of RM2.9million in Q4, 2021
- Impairment of smart mobility and IoT inventories of RM2.2million in Q4, 2021

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 (cont'd)**

Loss after tax contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter 31.12.21 RM'000	Immediate Preceding Quarter 30.09.21 RM'000	
ICT	(8,986)	(3,455)	160%
Healthcare	539	1,340	-60%
	<u>(8,447)</u>	<u>(2,115)</u>	

In Q4,2021, G3 has incurred income tax expense of RM1.2m.

B3 Current prospects and progress on previously announced financial estimates

G3 Group overall revenue has increased in Q4,2021 compared to Q3,2021 due to G3 Group exploring new business area i.e. healthcare which yield positive results through sale of antigen kits.

The board will continue to focus on the following potential initiatives, notwithstanding the impact from the current pandemic:

1. Expand the involvement in healthcare sector and pursue key ICT projects
2. Increase business development efforts to boost revenue
3. 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 31.12.2021 RM'000
Current financial year tax expense	1,178

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 31.12.21	Preceding Year Corresponding Quarter 31.12.20	Current Year To Date 31.12.21	Preceding Year Corresponding Quarter 31.12.20
Loss attributable to ordinary equity holders of the Company (RM'000)	(8,672)	(6,971)	(11,295)	(13,388)
Weighted average numbers of ordinary shares in issue ('000)	2,164,247	468,162	2,149,933	468,112
Basic earning per share (sen)	(0.40)	(1.49)	(0.53)	(2.86)

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities**B8 Earnings per share (cont'd)****Diluted earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.21	Preceding Year Corresponding Quarter 31.12.20	Current Year To Date 31.12.21	Preceding Year Corresponding Quarter 31.12.20
Loss attributable to ordinary equity holders of the Company (RM'000)	(8,672)	(6,971)	(11,295)	(13,388)
Weighted average numbers of ordinary shares in issue ('000)	2,164,247	468,162	2,149,933	468,112
Adjustment for dilutive effect of warrants ('000)	261,485	144,365	261,485	144,365
	2,425,732	612,527	2,411,418	612,477
Diluted earning per share (sen)	(0.36)	(1.14)	(0.47)	(2.19)

B9 Loss Before Taxation

This is arrived at:

	Current Year Quarter 31.12.21 RM'000	Current Year To Date 31.12.21 RM'000
After charging :		
Depreciation and amortization	105	457
Interest expense on lease liability	3	8
And crediting :		
Interest income	<u>117</u>	<u>177</u>

B10 Authorisation for issue

The interim financials statements were authorised for release by the Board of Directors on 25 February 2022.