

G3 GLOBAL BERHAD (Company No. 200201002733 (570396-D))**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022****(The figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 31.03.22 RM'000	As At Preceding Financial Year Ended (Audited) 31.12.21 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	559	673
	559	673
Current assets		
Inventories	2,057	807
Trade receivables	6,075	14,790
Other receivables and deposits	16,683	3,695
Cash and bank balances	8,590	9,387
	33,405	28,679
TOTAL ASSETS	33,964	29,352
EQUITY & LIABILITIES		
Equity attributable to owners of the parent		
Share capital	81,753	81,746
Accumulated losses	(60,276)	(59,182)
	21,477	22,564
Non-controlling interest	1,145	956
Total equity	22,622	23,520
Current liabilities		
Trade payables	8,926	3,967
Other payables and accruals	1,659	1,096
Lease liabilities	109	173
Current tax liabilities	648	596
	11,342	5,832
Total liabilities	11,342	5,832
TOTAL EQUITY & LIABILITIES	33,964	29,352
Net Assets per Share (RM)	0.01	0.01

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 2021.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter (Unaudited) 31.03.22 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31.03.21 RM'000	Current Year To Date (Unaudited) 31.03.22 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31.03.21 RM'000
Revenue	9,535	1,201	9,535	1,201
Operating expenses	(10,290)	(1,364)	(10,290)	(1,364)
Other operating income	8	24	8	24
Loss from operations	(747)	(139)	(747)	(139)
Finance cost	(2)	-	(2)	-
Loss before tax	(749)	(139)	(749)	(139)
Taxation	(156)	-	(156)	-
Total comprehensive loss for the financial year	(905)	(139)	(905)	(139)
Total comprehensive loss for the financial year attributable to:-				
Non-controlling interest	189	(2)	189	(2)
Total comprehensive loss for the financial year attributable to owners of the parent	(1,094)	(137)	(1,094)	(137)
	(905)	(139)	(905)	(139)
Basic loss per share attributable to owners of the parent (sen)	(0.05)	(0.01)	(0.05)	(0.01)
Diluted loss per share (sen)	(0.04)	(0.01)	(0.04)	(0.01)

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 2021.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**
(The figures have not been audited)

	-----Attributable to owners of the parent-----			Non-	Total
	Share	Accumulated	Total	controlling	Equity
	Capital	Losses		Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial Year Ended					
<u>31.03.22 (Unaudited)</u>					
Balance at 1.1.2022	81,746	(59,182)	22,564	956	23,520
Transactions with owners:					
Issue of new shares	7	-	7	-	7
Total comprehensive loss for the financial year	-	(1,094)	(1,094)	189	(905)
Balance at 31.03.2022	<u>81,753</u>	<u>(60,276)</u>	<u>21,477</u>	<u>1,145</u>	<u>22,622</u>
Financial Year Ended					
<u>31.03.21 (Unaudited)</u>					
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>

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 2021. The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
(The figures have not been audited)**

	Cumulative Current Year Period 31.03.22 RM'000 (Unaudited)	Cumulative Preceding Year Period 31.03.21 RM'000 (Audited)
Cash flows from operating activities		
Loss before taxation	(749)	(139)
Adjustments for:		
- Non-cash items	108	333
- Non-operating items	(6)	296
Operating loss before working capital changes	<u>(647)</u>	<u>490</u>
Inventories	(1,250)	(14)
Receivables	(4,277)	(1,648)
Contract liabilities	-	(17)
Payables	<u>5,522</u>	<u>(26)</u>
Cash used in operations	(652)	(1,215)
Income tax paid	(100)	
Net cash used in operating activities	<u>(752)</u>	<u>(1,215)</u>
Cash flows from investing activities		
Interest received	8	17
Acquisition of a subsidiary, net of cash acquired	6	-
Net cash from/(used) in investing activities	14	17
Cash flows from financing activities		
Proceeds from issuance of shares	7	6,589
Interest paid	(2)	(2)
Repayment of finance lease liabilities	(64)	-
Net cash from financing activities	<u>(59)</u>	<u>6,587</u>
Net changes in cash and cash equivalents	<u>(797)</u>	<u>5,389</u>
Cash and cash equivalents at beginning	<u>9,387</u>	<u>5,761</u>
Cash and cash equivalents at end	<u><u>8,590</u></u>	<u><u>11,150</u></u>
Represented by:		
Cash and bank balances	<u><u>8,590</u></u>	<u><u>11,150</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 2021 and the accompanying notes to the interim financial statements.

**A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting
31 March 2022**

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 2021. 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 2021.

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 2021.

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 2021. The Group intends to adopt these new and amended standards, if applicable, when they become effective in the respective period.

Effective for the financial period beginning on or after 1 April 2021 as set out below:

a) Amendments to MFRS 16 - COVID-19 Related Rent Concessions beyond 30 June 2021

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 January 2022, and have been adopted by the Group, where applicable:

- a) Amendments to MFRS 3 - Business Combination: Reference to the Conceptual Framework
- b) Amendments to MFRS 116 - Property, Plant and Equipment: Proceeds before Intended Use
- c) Amendments to MFRS 137 - Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract
- d) Annual Improvement to MFRS Standards 2018-2020

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 January 2023, and have yet to be adopted by the Group, where applicable:

- a) Amendments to MFRS 101 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- b) Amendments to MFRS 101 - Presentation of Financial Statements: Disclosure of Accounting Policies
- c) Amendments to MFRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- d) Amendments to MFRS 112 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

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

A3 Audit Report

The auditors' report on the financial statements for the financial year ended 31 December 2021 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 March 2022, 223,600 warrants were exercised. As at 31 March 2022, the total number of Warrants which remained unexercised were 310,529,564.

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:

<u>Period ended 31 March 2022</u>	<u>ICT Division RM'000</u>	<u>Healthcare RM'000</u>	<u>Apparel Division * RM'000</u>	<u>Total RM'000</u>
Revenue	75	9,460	-	9,535
Profit / (Loss) before tax	(1,292)	543	-	(749)
<u>As at 31 March 2022</u>				
Assets Employed	14,428	19,536	-	33,964

* all companies under Apparel Division are dormant as at 31 March 2022

A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting 31 March 2022

A9 Segmental Reporting (cont'd)

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

** 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 2021.

A11 Significant and Subsequent Events

- 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 COVID-19 test kits ("Proposed Diversification");
 - 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; and
 - increase in the limit for authority to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016 as prescribed under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad from 10% to 20%
 - On 24 March 2022, the Group had also proposed new shareholder's mandate for recurrent related party transactions of a revenue or trading nature

The above proposals were approved by the shareholders at the Extraordinary General Meetings of the Company held on 8 April 2022.
- G3 announced the expiry of Memorandum of Understanding ("MOU") between G3, SenseTime Group Ltd and China Harbour Engineering Company Ltd on 25 April 2022. The expiration of the MOU is not expected to have material financial impact to the Group.
- On 5 May 2022, G3 announced the award of RM118million contract to design, supply, install, testing and commissioning for Airport Integrated Security and Safety System at KLIA and KLIA 2 from Malaysia Airports (Sepang) Sdn Bhd.

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 Quarter 31.03.22 RM'000	Preceding Year Corresponding Quarter 31.03.21 RM'000		Current Year To Date 31.03.22 RM'000	Preceding Year Corresponding Quarter 31.03.21 RM'000	
Revenue	9,535	1,201	694%	9,535	1,201	694%
Operating Loss	(747)	(139)	-437%	(747)	(139)	-437%
Loss Before Tax	(749)	(139)	-439%	(749)	(139)	-439%
Loss After Tax	(905)	(139)	-551%	(905)	(139)	-551%
Loss Attributable to Owners of the Parent	(1,094)	(137)	-699%	(1,094)	(137)	-699%

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	Individual Quarter		% Change	Cumulative Quarter		% Change
	Current Year Quarter 31.03.22 RM'000	Preceding Year Corresponding Quarter 31.03.21 RM'000		Current Year To Date 31.03.22 RM'000	Preceding Year Corresponding Quarter 31.03.21 RM'000	
ICT	75	1,201	-94%	75	1,201	-94%
Healthcare	9,460	-	>100%	9,460	-	>100%
	<u>9,535</u>	<u>1,201</u>		<u>9,535</u>	<u>1,201</u>	

The G3's Healthcare Division has generated RM9.5million revenue from sales of Covid-19 test kits in Malaysia which contributed to the overall revenue improvement in Q1,2022 compared to RM1.2million in Q1,2021. Revenue from ICT dipped with a revenue of RM75k in Q1,2022 due to delay in award of expected ICT projects.

Loss from operations contribution comprises the following:-

	Individual Quarter		% Change	Cumulative Quarter		% Change
	Current Year Quarter 31.03.22 RM'000	Preceding Year Corresponding Quarter 31.03.21 RM'000		Current Year To Date 31.03.22 RM'000	Preceding Year Corresponding Quarter 31.03.21 RM'000	
ICT	(1,290)	(139)	828%	(1,290)	(139)	828%
Healthcare	543	-	>100%	543	-	>100%
	<u>(747)</u>	<u>(139)</u>		<u>(747)</u>	<u>(139)</u>	

The loss in ICT division is due to delay in award of key projects, which resulted to a loss from operations of RM1.3 million in Q1,2022 compared RM139k in Q1,2021. Healthcare Division in Q1,2022 recorded a profit from operations of RM543k which overall support the reduction of overall G3 Group loss after tax to RM747k.

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 31.03.22 RM'000	Preceding Year Corresponding Quarter 31.03.21 RM'000	% Change	Current Year To Date 31.03.22 RM'000	Preceding Year Corresponding Quarter 31.03.21 RM'000	% Change
ICT	(1,292)	(139)	829%	(1,292)	(139)	829%
Healthcare	387	-	>100%	387	-	>100%
	<u>(905)</u>	<u>(139)</u>		<u>(905)</u>	<u>(139)</u>	

In Q1,2022, G3's Healthcare Division incurred a tax of RM156k which resulted to a Q1,2022 profit after tax of RM387k. The overall increase in loss after tax for G3 Group from RM139k to RM905k is due to delay in award of key projects under the ICT Division.

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 31.03.22 RM'000	Immediate Preceding Quarter 31.12.21 RM'000	
Revenue	9,535	18,794	-49%
Operating Loss	(747)	(7,269)	90%
Loss Before Tax	(749)	(7,272)	90%
Loss After Tax	(905)	(8,447)	89%
Loss Attributable to Owners of the Parent	(1,094)	(8,672)	87%

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter 31.03.22 RM'000	Immediate Preceding Quarter 31.12.21 RM'000	
ICT	75	15	400%
Healthcare	9,460	18,779	-50%
	<u>9,535</u>	<u>18,794</u>	

The overall revenue in Q1,2022 of RM9.5million is lower by 49% compared to revenue in Q4,2021 of RM18.8million as customers has ample stocks of Covid-19 test kits from the purchase in Q4,2021 from Healthcare Division. This has resulted to slower sale of Covid-19 test kits in Q1,2022.

Loss from operations contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter 31.03.22 RM'000	Immediate Preceding Quarter 31.12.21 RM'000	
ICT	(1,290)	(8,406)	85%
Healthcare	543	1,137	-52%
	<u>(747)</u>	<u>(7,269)</u>	

The decrease in Q1,2022 loss from operations of RM1.2million compared to Q4,2021 of RM8.4million is mainly due to provisions for amount due from trade debtors of RM2.9million and impairment of smart mobility and IoT inventories of RM2.2million in Q4,2021. The lower Q1,2022 profit from operations for Healthcare Division of RM543k compared to Q4,2021 of RM1.1million due to lower sales of Covid-19 test kits in Q1,2022.

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	Immediate Preceding Quarter	
	31.03.22	31.12.21	
	RM'000	RM'000	
ICT	(1,292)	(8,986)	86%
Healthcare	387	539	-28%
	<u>(905)</u>	<u>(8,447)</u>	

In Q1,2022, G3 Group's Healthcare Division has incurred income tax expense of RM156k compared to RM1.2million in Q4,2021.

B3 Current prospects and progress on previously announced financial estimates

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

1. Expanding healthcare sector and completing key ICT project.
2. Increase business development efforts to boost revenue
3. Corporate exercise to raise funds

The Board remained vigilant in view of current challenging economic environment, impact of pandemic situation as well as global supply chain disruption due to Ukraine-Russia conflict.

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
	31.03.2022
	RM'000
Current financial year tax expense	156

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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
	31.03.22	31.03.21	31.03.22	31.03.21
Loss attributable to ordinary equity holders of the Company (RM'000)	(1,094)	(137)	(1,094)	(137)
Weighted average numbers of ordinary shares in issue ('000)	2,164,295	2,102,404	2,164,295	2,102,404
Basic loss per share (sen)	(0.05)	(0.01)	(0.05)	(0.01)

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 31.03.22	Preceding Year Corresponding Quarter 31.03.21	Current Year To Date 31.03.22	Preceding Year Corresponding Quarter 31.03.21
Loss attributable to ordinary equity holders of the Company (RM'000)	(1,094)	(137)	(1,094)	(137)
Weighted average numbers of ordinary shares in issue ('000)	2,164,295	2,102,404	2,164,295	2,102,404
Adjustment for dilutive effect of warrants ('000)	310,529	310,797	310,529	310,797
	2,474,824	2,413,201	2,474,824	2,413,201
Diluted loss per share (sen)	(0.04)	(0.01)	(0.04)	(0.01)

B9 Loss Before Taxation

This is arrived at:

	Current Year Quarter 31.03.22 RM'000	Current Year To Date 31.03.22 RM'000
After charging :		
Depreciation and amortization	104	104
Interest expense on lease liability	2	2
And crediting :		
Interest income	<u>8</u>	<u>8</u>

B10 Authorisation for issue

The interim financials statements were authorised for release by the Board of Directors on 30 May 2022.