

G3 GLOBAL BERHAD (Company No. 200201002733 (570396-D))**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022****(The figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 30.06.22 RM'000	As At Preceding Financial Year Ended (Audited) 31.12.21 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	443	673
	443	673
Current assets		
Inventories	1,360	807
Trade receivables	3,752	14,790
Other receivables and deposits	19,587	3,695
Cash and bank balances	34,356	9,387
	59,055	28,679
TOTAL ASSETS	59,498	29,352
EQUITY & LIABILITIES		
Equity attributable to owners of the parent		
Share capital	108,578	81,746
Accumulated losses	(61,431)	(59,182)
	47,147	22,564
Non-controlling interest	1,112	956
Total equity	48,259	23,520
Current liabilities		
Trade payables	9,160	3,967
Other payables and accruals	1,387	1,096
Lease liabilities	44	173
Current tax liabilities	648	596
	11,239	5,832
Total liabilities	11,239	5,832
TOTAL EQUITY & LIABILITIES	59,498	29,352
Net Assets per Share (RM)	0.02	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 30 JUNE 2022
(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter (Unaudited) 30.06.22 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30.06.21 RM'000	Current Year To Date (Unaudited) 30.06.22 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30.06.21 RM'000
Revenue	1,148	769	10,683	1,970
Operating expenses	(2,193)	(1,986)	(12,483)	(3,350)
Other operating income	13	1,527	21	1,551
Profit / (Loss) from operations	(1,032)	310	(1,779)	171
Finance cost	(1)	-	(3)	-
Profit / (Loss) before tax	(1,033)	310	(1,782)	171
Taxation	(155)	(2)	(311)	(2)
Total comprehensive profit / (loss) for the financial year	(1,188)	308	(2,093)	169
Total comprehensive loss for the financial year attributable to:-				
Non-controlling interest	(33)	(2)	156	(4)
Total comprehensive profit / (loss) for the financial year attributable to owners of the parent	(1,155)	310	(2,249)	173
	(1,188)	308	(2,093)	169
Basic profit / (loss) per share attributable to owners of the parent (sen)	(0.05)	0.01	(0.10)	0.01
Diluted profit / (loss) per share (sen)	(0.05)	0.01	(0.10)	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 30 JUNE 2022
(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 30.06.22 (Unaudited)					
Balance at 1.1.2022	81,746	(59,182)	22,564	956	23,520
Transactions with owners:					
Issue of new shares pursuant to warrant exercise	9,167	-	9,167	-	9,167
Issue of new shares pursuant to private placement	18,180	-	18,180	-	18,180
Share issuance expenses pursuant to private placement	(515)	-	(515)	-	(515)
Total comprehensive loss for the financial year	-	(2,249)	(2,249)	156	(2,093)
Balance at 30.06.2022	<u>108,578</u>	<u>(61,431)</u>	<u>47,147</u>	<u>1,112</u>	<u>48,259</u>
Financial Year Ended 30.06.21 (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
Total comprehensive profit / (loss) for the financial year	-	173	173	(4)	169
Balance at 30.06.2021	<u>81,746</u>	<u>(47,712)</u>	<u>34,034</u>	<u>27</u>	<u>34,061</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 30 JUNE 2022
(The figures have not been audited)**

	Cumulative Current Year Period 30.06.22 RM'000 (Unaudited)	Cumulative Preceding Year Period 30.06.21 RM'000 (Audited)
Cash flows from operating activities		
Profit / (Loss) before taxation	(1,782)	171
Adjustments for:		
- Non-cash items	222	663
- Non-operating items	(17)	(42)
Operating loss before working capital changes	<u>(1,577)</u>	<u>792</u>
Inventories	(554)	(34)
Receivables	(4,853)	(1,798)
Contract liabilities	-	(76)
Payables	5,484	836
Cash used in operations	<u>(1,500)</u>	<u>(280)</u>
Income tax paid	(259)	(2)
Income tax refunded	*	-
Net cash used in operating activities	<u>(1,759)</u>	<u>(282)</u>
Cash flows from investing activities		
Interest received	21	44
Proceeds from disposal of property, plant and equipment	7	1
Purchase of property, plant and equipment	-	(10)
Net cash from/(used) in investing activities	28	35
Cash flows from financing activities		
Proceeds from issuance of shares	26,832	7,430
Interest paid	(3)	(3)
Repayment of finance lease liabilities	(129)	(133)
Net cash from financing activities	26,700	7,294
Net changes in cash and cash equivalents	<u>24,969</u>	<u>7,047</u>
Cash and cash equivalents at beginning	9,387	5,761
Cash and cash equivalents at end	<u><u>34,356</u></u>	<u><u>12,808</u></u>
Represented by:		
Cash and bank balances	<u><u>34,356</u></u>	<u><u>12,808</u></u>

* Amount below RM1,000

Note :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the financial statements for the year ended 31 December 2021 and the accompanying notes to the statements.

**A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting
30 June 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 30 June 2022, 305,330,000 warrants were exercised. As at 30 June 2022, the total number of Warrants which remained unexercised were 5,199,564.

On 24 June 2022, G3 Global Berhad has completed the private placement exercise for 432,849,300 shares at issuance price of RM0.042 per share. The share capital of the Company stands at RM108,577,752, after deducting share issuance expenses, comprises of 2,902,649,648 ordinary shares.

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 30 June 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	103	10,580	-	10,683
Profit / (Loss) before tax	(2,103)	321	-	(1,782)
<u>As at 30 June 2022</u>				
Assets Employed	39,842	19,656	-	59,498

* all companies under Apparel Division are dormant as at 30 June 2022 and is in the process of being strike-off.

**A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting
30 June 2022****A10 Segmental Reporting (cont'd)**

Period ended 30 June 2021	ICT Division RM'000	Healthcare RM'000	Apparel Division RM'000	Total RM'000
Revenue	1,970	-	-	1,970
Profit before tax	171	-	**	171
As at 30 June 2021				
Assets Employed	36,997	-	-	36,997

* all companies under Apparel Division are dormant as at 30 June 2021

** 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.

A11 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.

A12 Utilisation of proceeds

Proceeds amounting to RM18.18 million from the Private Placement Exercise on 24 June 2022 has been utilised as follows as at 30 June 2022:

Utilisation Purpose	Proceeds utilisation	Actual Utilised to Date	Balance Unutilised	Proposed Utilisation Timeframe
(i) Healthcare Business	17,664,755.60	-	17,664,755.60	Within 12 months
(ii) Future Business projects / investments	-	-	-	Within 24 months
(iii) Working capital	-	-	-	Within 12 months
(iv) Expenses for the Proposals	514,915.00	514,915.00	-	Within 1 month
	18,179,670.60	514,915.00	17,664,755.60	

A13 Significant and Subsequent Events

- G3 announced the following proposals were approved by the shareholders at the Extraordinary General Meetings of the Company held on 8 April 2022:
 - 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
- 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.

A14 Changes In The Composition of The Group

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

A15 Contingent Liabilities and Contingent Assets

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

A16 Capital Commitments

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

A17 Group Borrowings and Debt Securities

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

A18 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.

A19 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 30.06.22 RM'000	Preceding Year Corresponding Quarter 30.06.21 RM'000		Current Year To Date 30.06.22 RM'000	Preceding Year Corresponding Quarter 30.06.21 RM'000	
Revenue	1,148	769	49%	10,683	1,970	442%
Operating Profit / (Loss)	(1,032)	310	433%	(1,779)	171	1140%
Profit / (Loss) Before Tax	(1,033)	310	433%	(1,782)	171	1142%
Profit / (Loss) After Tax	(1,188)	308	486%	(2,093)	169	1338%
Profit / (Loss) Attributable to Owners of the Parent	(1,155)	310	473%	(2,249)	173	1400%

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30.06.22 RM'000	Preceding Year Corresponding Quarter 30.06.21 RM'000	% Change	Current Year To Date 30.06.22 RM'000	Preceding Year Corresponding Quarter 30.06.21 RM'000	% Change
ICT	28	769	-96%	103	1,970	-95%
Healthcare	1,120	-	>100%	10,580	-	> 100%
	1,148	769		10,683	1,970	

The quarterly revenue of G3 Group has increased by 49% in Q2,2022 compared to Q2,2021. G3's Healthcare Division has contributed to RM1.1m of revenue in Q2,2022 and a total revenue of RM10.6m for the first half of FYE2022. ICT division revenue growth remained slow as the current RM118m project with Malaysia Airports (Sepang) Sdn Bhd ("MASSB") under ICT Division is at preliminary stage of the project i.e. team mobilisation and survey stage.

Profit / (Loss) from operations contribution comprises the following:-

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30.06.22 RM'000	Preceding Year Corresponding Quarter 30.06.21 RM'000	% Change	Current Year To Date 30.06.22 RM'000	Preceding Year Corresponding Quarter 30.06.21 RM'000	% Change
ICT	(1,120)	310	>100%	(2,410)	171	>100%
Healthcare	88	-	>100%	631	-	>100%
	(1,032)	310		(1,779)	171	

G3 Group incurred a loss from operations in Q2,2022 of RM1.1m, compared to RM310k profit from operations in Q2,2021 due to one-off refund from discontinued consultancy services for AI Park in Q2,2021. The RM118m project with MASSB has yet to contribute to the Company's profits.

However, Healthcare Division has contributed RM631k in profit to the operations of G3 Group in first half of FYE2022 as compared to first half of FYE2021.

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

Profit / (Loss) after tax comprises the following:-

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30.06.22 RM'000	Preceding Year Corresponding Quarter 30.06.21 RM'000	% Change	Current Year To Date 30.06.22 RM'000	Preceding Year Corresponding Quarter 30.06.21 RM'000	% Change
ICT	(1,121)	308	-464%	(2,413)	169	-1528%
Healthcare	(67)	-	>100%	320	-	>100%
	<u>(1,188)</u>	<u>308</u>		<u>(2,093)</u>	<u>169</u>	

The overall loss after tax in first half of FYE 2022 of RM2.1m compared to profit after tax in first half of FYE2021 of RM169k, are due to income tax charges of RM311k incurred by Healthcare Division in Q1,2022 and Q2,2022 and considering that Q2,2021 included a one-off refund from discontinued consultancy services for AI Park.

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 30.06.22 RM'000	Immediate Preceding Quarter 31.03.22 RM'000	
Revenue	1,148	9,535	-88%
Operating Loss	(1,032)	(747)	-38%
Loss Before Tax	(1,033)	(749)	-38%
Loss After Tax	(1,188)	(905)	-31%
Loss Attributable to Owners of the Parent	(1,155)	(1,094)	-6%

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter 30.06.22 RM'000	Immediate Preceding Quarter 31.03.22 RM'000	
ICT	28	75	-63%
Healthcare	1,120	9,460	-88%
	<u>1,148</u>	<u>9,535</u>	

Overall, revenue had decreased from RM9.5m in Q1,2022 to RM1.1m in Q2,2022. The decrease in revenue is due to sale of COVID-19 antigen kits has slowed down for Healthcare Division, resulting in revenue decrease from RM9.4m in Q1,2022 to RM1.1m in Q2,2022 as Malaysia reached endemic stage in April 2022, with lower demand for the COVID-19 test kits distribution solutions.

The business performance in Q2,2022 for ICT Division remained the same as Q1,2022 as the RM118m project with MASSB is at preliminary stage of the project i.e. team mobilisation and survey stage.

Loss from operations contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter 30.06.22 RM'000	Immediate Preceding Quarter 31.03.22 RM'000	
ICT	(1,120)	(1,290)	13%
Healthcare	88	543	-84%
	<u>(1,032)</u>	<u>(747)</u>	

The loss from operations in Q2,2022 has increased by 38% from RM747k in Q1,2022 to RM1.0m in Q2,2022. The change is attributable to the decrease in profit from Healthcare Division from RM543k in Q1,2022 to RM88k in Q2,2022. The decrease in business performance of Healthcare Division is attributable to lower demand for the COVID-19 test kits distribution solutions. However, the losses in ICT Division had decreased by 13% in Q2,2022 compared to Q1,2022 as G3 Group is retaining a lean cost structure.

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	
	30.06.22	31.03.22	
	RM'000	RM'000	
ICT	(1,121)	(1,292)	13%
Healthcare	(67)	387	-117%
	<u>(1,188)</u>	<u>(905)</u>	

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
	30.06.22	30.06.21	30.06.22	30.06.21
	RM'000	RM'000	RM'000	RM'000
Current Tax	155	2	311	2

The current tax charged for the current quarter is due to taxable profits earned by a major subsidiary of the Group.

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
	30.06.22	30.06.21	30.06.22	30.06.21
Profit / (Loss) attributable to ordinary equity holders of the Company (RM'000)	(1,155)	310	(2,249)	173
Weighted average numbers of ordinary shares in issue ('000)	2,303,220	2,163,927	2,233,755	2,133,532
Basic profit / (loss) per share (sen)	(0.05)	0.01	(0.10)	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 30.06.22	Preceding Year Corresponding Quarter 30.06.21	Current Year To Date 30.06.22	Preceding Year Corresponding Quarter 30.06.21
Profit / (Loss) attributable to ordinary equity holders of the Company (RM'000)	(1,155)	310	(2,249)	173
Weighted average numbers of ordinary shares in issue ('000)	2,303,220	2,163,927	2,233,755	2,133,532
Adjustment for dilutive effect of warrants ('000)	5,199	310,753	5,199	310,753
	2,308,419	2,474,680	2,238,954	2,444,285
Diluted profit / (loss) per share (sen)	(0.05)	0.01	(0.10)	0.01

B9 Loss Before Taxation

This is arrived at:

	Current Year Quarter 30.06.22 RM'000	Current Year To Date 30.06.22 RM'000
After charging :		
Depreciation and amortization	104	208
Interest expense on lease liability	1	3
And crediting :		
Interest income	<u>13</u>	<u>21</u>

B10 Authorisation for issue

The interim financials statements were authorised for release by the Board of Directors on 29 August 2022.