

G3 GLOBAL BERHAD (Company No. 200201002733 (570396-D))**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2023****(The figures have not been audited)**

	As At End Of Current Quarter (Unaudited) 30.06.2023 RM'000	As At Preceding Financial Year Ended (Audited) 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	321	513
Other receivable	-	3,852
	<u>321</u>	<u>4,365</u>
Current assets		
Inventories	747	738
Trade receivables	12,660	1,785
Other receivables and deposits	15,424	13,918
Contract asset	19,719	-
Cash and bank balances	36,186	27,435
	<u>84,736</u>	<u>43,876</u>
TOTAL ASSETS	<u>85,057</u>	<u>48,241</u>
EQUITY & LIABILITIES		
Equity attributable to owners of the parent		
Share capital	127,518	108,581
Accumulated losses	(65,967)	(67,969)
	<u>61,551</u>	<u>40,612</u>
Non-controlling interest	(136)	(112)
Total equity	<u>61,415</u>	<u>40,500</u>
Current liabilities		
Trade payables	19,586	5,478
Other payables and accruals	4,012	2,090
Lease liabilities	44	173
	<u>23,642</u>	<u>7,741</u>
Total liabilities	<u>23,642</u>	<u>7,741</u>
TOTAL EQUITY & LIABILITIES	<u>85,057</u>	<u>48,241</u>
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 2022.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023
(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Corresponding	Corresponding	To Date	Corresponding
	Quarter	Quarter	Quarter	Quarter
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	20,348	1,148	33,055	10,683
Operating expenses	(20,831)	(2,193)	(34,972)	(12,483)
Other operating income	2,367	13	3,898	21
Profit / (Loss) from operations	1,884	(1,032)	1,981	(1,779)
Finance cost	(1)	(1)	(3)	(3)
Profit / (Loss) before tax	1,883	(1,033)	1,978	(1,782)
Taxation	-	(155)	-	(311)
Total comprehensive profit / (loss) for the financial period	1,883	(1,188)	1,978	(2,093)
Total comprehensive loss for the financial year attributable to:-				
Non-controlling interest	12	(33)	(24)	156
Total comprehensive profit / (loss) for the financial period attributable to owners of the parent	1,871	(1,155)	2,002	(2,249)
	1,883	(1,188)	1,978	(2,093)
Basic profit / (loss) per share attributable to owners of the parent (sen)	0.05	(0.05)	0.06	(0.10)
Diluted profit / (loss) per share (sen)	0.05	(0.05)	0.06	(0.10)

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 2022.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
(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 Period Ended					
<u>30.06.23</u>					
Balance at 1.1.2023	108,581	(67,969)	40,612	(112)	40,500
Transactions with owners:					
Issue of new shares	18,937	-	18,937	-	18,937
Total comprehensive profit / (loss) for the financial period	-	2,002	2,002	(24)	1,978
Balance at 30.06.2023	<u>127,518</u>	<u>(65,967)</u>	<u>61,551</u>	<u>(136)</u>	<u>61,415</u>
Financial Period Ended					
<u>30.06.2022</u>					
Balance at 1.1.2022	81,746	(59,182)	22,564	956	23,520
Transactions with owners:					
Issue of new shares	26,832	-	26,832	-	26,832
Total comprehensive profit / (loss) for the financial period		(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>

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 2022. The accompanying notes are an integral part of this statement.

G3 GLOBAL BERHAD (Company No. 200201002733 (570396-D))**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023****(The figures have not been audited)**

	Cumulative Current Year Period 30.06.2023 RM'000 (Unaudited)	Cumulative Preceding Year Period 30.06.2022 RM'000 (Unaudited)
Cash flows from operating activities		
Profit / (Loss) before taxation	1,978	(1,782)
Adjustments for:		
- Non-cash items	192	222
- Non-operating items	(25)	(17)
Operating loss before working capital changes	2,145	(1,577)
Inventories	(9)	(554)
Receivables	(8,481)	(4,853)
Contract asset	(19,719)	-
Payables	16,031	5,484
Cash used in operations	(10,033)	(1,500)
Income tax paid	(50)	(259)
Net cash used in operating activities	(10,083)	(1,759)
Cash flows from investing activities		
Interest received	29	21
Placement of fixed deposit with licensed bank	(11,838)	7
Purchase of property, plant and equipment	-	-
Net cash from/(used) in investing activities	(11,809)	28
Cash flows from financing activities		
Proceeds from issuance of shares	18,937	26,832
Interest paid	(3)	(3)
Repayment of finance lease liabilities	(129)	(129)
Net cash from financing activities	18,805	26,700
Net changes in cash and cash equivalents	(3,087)	24,969
Cash and cash equivalents at beginning	27,435	9,387
Cash and cash equivalents at end	24,348	34,356
Represented by:		
Cash and bank balances	24,348	34,356
Fixed deposit with licensed bank	11,838	-
	36,186	34,356
Less: Fixed deposit pledged	(11,838)	-
	24,348	34,356

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 2022 and the accompanying notes to interim financial statements.

**A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting
30 June 2023**

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 2022. 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 2022.

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 2022.

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 2022. The Group intends to adopt these new and amended standards, if applicable, when they become effective in the respective period.

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 January 2024, and have yet to be adopted by the Group, where applicable:

- a) Amendments to MFRS 16 - Lease liability in a sale and leaseback
- b) Amendments to MFRS 101 - Presentation of financial statements: Non-current liabilities with covenants

The adoption of the above standards are not expected to 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 2022 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

On 12 May 2023, G3 Global Berhad completed the private placement exercise for 870,826,000 shares at issuance price of RM0.0224 per share. The share capital of the Company on 30 June 2023 stands at RM127,518,316 after deducting share issuance expenses, comprises of 3,773,579,548 ordinary shares.

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 30 June 2023 (Cont'd)**A9 Segmental Reporting**

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

<u>Period ended 30 June 2023</u>	ICT Division RM'000	Healthcare RM'000	Total RM'000
Revenue	33,055	-	33,055
Profit / (Loss) before tax	2,028	(50)	1,978
<u>As at 30 June 2023</u>			
Assets Employed	71,257	13,800	85,057

<u>Period ended 30 June 2022</u>	ICT Division RM'000	Healthcare RM'000	Total RM'000
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

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 2022.

A11 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 18 August 2023:

Utilisation Purpose	Actual proceeds raised from the completion of the Private Placement 2022	Actual proceeds utilised to date	Balance proceeds unutilised	Expected timeframe for utilisation of proceeds from the date of completion of Private Placement 2022
	RM	RM	RM	
(i) Healthcare Business	-	-	-	Within 12 months
(ii) Future Business projects / investments	17,664,755.60	17,664,755.60	-	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	18,179,670.60	-	

A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting 30 June 2023 (Cont'd)

A11 Utilisation of proceeds

Proceeds amounting to RM19.5 million from the Private Placement Exercise on 12 May 2023 has been utilised as follows as at 18 August 2023:

Utilisation Purpose	Actual proceeds raised from the completion of the Private Placement 2022	Actual proceeds utilised to date	Balance proceeds unutilised	Expected timeframe for utilisation of proceeds from the date of completion of Private Placement 2022
	RM	RM	RM	
(i) Funding for existing and future projects	14,500,000.00	5,237,922.92	9,262,077.08	Within 12 months
(ii) Working capital	4,206,502.40	-	4,206,502.40	Within 24 months
(iii) Expenses for the Proposals	800,000.00	617,576.75	182,423.25	Within 1 month
	19,506,502.40	5,855,499.67	13,651,002.73	

A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting 30 June 2023 (Cont'd)

A12 Significant and Subsequent Events

1. On 28 March 2023, G3 through General Meeting has approved the following:

- a. variation of the utilisation of proceeds raised from the private placement which was completed on 27 June 2022 to the intended utilisation; and
- b. proposed private placement of up to 870,826,000 new ordinary shares in G3 Global ("G3 Global Shares" or "Shares"), representing not more than 30% of the issued Shares in G3.

2. On 12 May 2023, G3's Private Placement has completed following the listing of the 870,826,000 Placement Shares at the issue price of RM0.0224 per Placement Share. The total of RM19.5million raised from the completion of the Private Placement of 870,826,000 Placement Shares.

A13 Changes In The Composition of The Group

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

A14 Contingent Liabilities and Contingent Assets

Details of contingent liabilities of the Group as at end of the current quarter under review are as follows:

(a) Performance bond

	As at 30.06.2023 RM'000	As at 31.03.2022 RM'000
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	11,838	-

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A15 Capital Commitments

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

A16 Group Borrowings and Debt Securities

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

A17 Cash and Bank Balances

	30.06.2023
	RM'000
Cash and Bank Balances	36,186
Less: Deposits with licensed banks restricted in use	<u>(11,838)</u>
	<u><u>24,348</u></u>

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		
	Current	Preceding	Corresponding		Current	Preceding	% Change
	Year	Year			Year	Year	
	Quarter	Quarter	Quarter	To Date	Quarter		
	30.06.2023	30.06.2022	30.06.2022	30.06.2023	30.06.2022		
	RM'000	RM'000	RM'000	RM'000	RM'000		
Revenue	20,348	1,148		33,055	10,683	209%	
Operating Profit / (Loss)	1,884	(1,032)	283%	1,981	(1,779)	211%	
Profit / (Loss) Before Tax	1,883	(1,033)	282%	1,978	(1,782)	211%	
Profit / (Loss) After Tax	1,883	(1,188)	259%	1,978	(2,093)	195%	
Profit / (Loss) Attributable to Owners of the Parent	1,871	(1,155)	262%	2,002	(2,249)	189%	

Group's Segmental Analysis:-

a. Revenue contribution comprises the following:-

	Individual Quarter			% Change	Cumulative Quarter		
	Current	Preceding	Corresponding		Current	Preceding	% Change
	Year	Year			Year	Year	
	Quarter	Quarter	Quarter	To Date	Quarter		
	30.06.2023	30.06.2022	30.06.2022	30.06.2023	30.06.2022		
	RM'000	RM'000	RM'000	RM'000	RM'000		
ICT	20,348	28		33,055	103	>100%	
Healthcare	-	1,120	-100%	-	10,580	-100%	
	<u>20,348</u>	<u>1,148</u>		<u>33,055</u>	<u>10,683</u>		

The Group recorded a cumulative revenue of RM33 million in Q2, 2023 which represent an increase of RM22 million or 300% compared to RM11 million in Q2, 2022. The increase is attributable to revenue from ICT Division Artificial Intelligence Solutions, AIS3 project.

There are no revenue contributions from the Group's Healthcare division in Q2, 2023.

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

	Individual Quarter			Cumulative Quarter		
	Current Year 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000	% Change	Current Year To Date 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000	% Change
ICT	1,910	(1,120)	>-100%	2,030	(2,410)	>-100%
Healthcare	(26)	88	>-100%	(49)	631	>-100%
	<u>1,884</u>	<u>(1,032)</u>		<u>1,981</u>	<u>(1,779)</u>	

The Group recorded a quarterly profit from operations of RM1.8 million in Q2, 2023 which represent an increase of RM2.9 million or 183% compared to loss from operations of RM1.03 million in Q2,2022. The increase is attributable to revenue from ICT Division Artificial Intelligence Solutions, AIS3 project and other income from the reversal of impairment due to a debt settlement in the current quarter.

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

B1 Review of the performance of the Group (cont'd)

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

	Individual Quarter			Cumulative Quarter		
	Current Year 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000	% Change	Current Year To Date 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000	% Change
ICT	1,909	(1,121)	>-100%	2,027	(2,413)	>-100%
Healthcare	(26)	(67)	-61%	(49)	320	>-100%
	<u>1,883</u>	<u>(1,188)</u>		<u>1,978</u>	<u>(2,093)</u>	

The Group recorded a quarterly profit after tax of RM1.9 million in Q2, 2023 which represent an increase of RM3.07 million or 158% compared to loss after tax of RM1.18 million in Q2, 2022. The improvement in Q2, 2023 results is attributable to profit from ICT Division Artificial Intelligence Solutions, AIS3 project and other income from the reversal of impairment due to a debt settlement in the current quarter.

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 30.06.2023 RM'000	Immediate Preceding Quarter 31.03.2023 RM'000	
Revenue	20,348	12,707	60%
Operating Profit / (Loss)	1,884	96	>100%
Profit / (Loss) Before Tax	1,883	94	>100%
Profit / (Loss) After Tax	1,883	94	>100%
Profit / (Loss) Attributable to Owners of the Parent	1,871	106	>100%

Group's Segmental Analysis:-

a. Revenue contribution comprises the following:-

	Individual Quarter		% Change
	Current Year Quarter 30.06.2023 RM'000	Immediate Preceding Quarter 31.03.2023 RM'000	
ICT	20,348	12,707	60%
Healthcare	-	-	-
	<u>20,348</u>	<u>12,707</u>	

The Group recorded a revenue of RM20.3 million in Q2, 2023 which represent an increase of RM7.6 million compared to RM12.7 million in Q1, 2023. The increase in revenue is attributable to revenue from ICT Division Artificial Intelligence Solutions, AIS3 project.

There are no revenue contributions from the Group's Healthcare division in Q2, 2023.

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

	Individual Quarter		% Change
	Current Year Quarter 30.06.2023 RM'000	Immediate Preceding Quarter 31.03.2023 RM'000	
ICT	1,910	120	>100%
Healthcare	(26)	(24)	8%
	<u>1,884</u>	<u>96</u>	

The Group profit from operations of RM1.9 million in Q2, 2023 is higher by RM1.8 million compared to a profit of RM96 thousand in Q1, 2023. The improvement in Q2, 2023 results is attributable to profit from ICT Division Artificial Intelligence Solutions, AIS3 project and other income from the reversal of impairment due to a debt settlement in the current quarter.

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

B2 Material changes in the quarterly results compared to the results of the preceding quarter (cont'd)

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

	Individual Quarter		% Change
	Current Year Quarter 30.06.2023 RM'000	Immediate Preceding Quarter 31.03.2023 RM'000	
ICT	1,909	118	>100%
Healthcare	(26)	(24)	8%
	<u>1,883</u>	<u>94</u>	

B3 Current prospects and progress on previously announced financial estimates

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

1. Completing key ICT project and increase order book for ICT Division
2. Venture into collaboration with key industry players to expand the Group's ICT footprint
3. Increase business development efforts
4. Corporate exercise to raise funds

The Board remained vigilant in view of current challenging economic environment.

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 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000	Current Year To Date 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000
Current Tax	-	155	-	311

B7 Dividends

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

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)**B8 Earnings per share****a. Basic loss per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2023	Preceding Year Corresponding Quarter 30.06.2022	Current Year To Date 30.06.2023	Preceding Year Corresponding Quarter 30.06.2022
Profit / (Loss) attributable to ordinary equity holders of the Company (RM'000)	1,871	(1,155)	2,002	(2,249)
Weighted average numbers of ordinary shares in issue ('000)	3,773,580	2,303,220	3,139,812	2,233,755
Basic profit / (loss) per share (sen)	0.05	(0.05)	0.06	(0.10)

b. Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2023	Preceding Year Corresponding Quarter 30.06.2022	Current Year To Date 30.06.2023	Preceding Year Corresponding Quarter 30.06.2022
Profit / (Loss) attributable to ordinary equity holders of the Company (RM'000)	1,871	(1,155)	2,002	(2,249)
Weighted average numbers of ordinary shares in issue ('000)	3,773,580	2,303,220	3,139,812	2,233,755
Adjustment for dilutive effect of warrants ('000) **	-	5,199	-	5,199
	<u>3,773,580</u>	<u>2,308,419</u>	<u>3,139,812</u>	<u>2,238,954</u>

** Warrants expired on 30 September 2022

Diluted profit / (loss) per share (sen)	0.05	(0.05)	0.06	(0.10)
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B9 Loss Before Taxation

This is arrived at:

	Current Year Quarter 30.06.2023 RM'000	Current Year To Date 30.06.2023 RM'000
After charging :		
Depreciation and amortization	95	192
Interest expense on lease liability	3	5
And crediting :		
Interest income	<u>18</u>	<u>29</u>

B10 Authorisation for issueThe interim financials statements were authorised for release by the Board of Directors on **30 August 2023**.