G3 GLOBAL BERHAD

PROPOSED CAPITAL REDUCTION PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016

1. INTRODUCTION

On behalf of G3 Global Berhad's ("**G3**" or the "**Company**") Board of Directors ("**Board**"), Thinkat Advisory Sdn Bhd ("**Thinkat**") wishes to announce that the Company proposes to undertake a reduction of the issued share capital of the Company pursuant to Section 116 of the Companies Act 2016 (**"Act"**) (**"Proposed Capital Reduction"**).

2. DETAILS OF THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction entails the reduction of RM99.3 million of the Company's issued share capital pursuant to Section 116 of the Act. As at 1 May 2026, being the latest practicable date prior to this announcement (**"LPD"**), the issued share capital of G3 is RM132.3 million comprising 4,150.9 million ordinary shares in G3 (**"G3 Shares"** or **"Shares"**). The corresponding credit of RM99.3 million arising from such cancellation will be utilised to reduce the accumulated losses of the Company and the balance (if any) will be credited to the retained earnings account of the Company which may be utilised in such manner as the Board deems fit and in the best interest of the Company, as permitted by relevant and applicable laws, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**"Bursa Securities"**) (**"MMLR"**) as well as the constitution of G3.

For illustration purposes, the proforma effects of the Proposed Capital Reduction on the accumulated losses of G3 and its subsidiaries (**"G3 Group"** or **"Group"**) based on its audited consolidated financial statements for the financial year ended (**"FYE"**) 31 December 2025 and unaudited consolidated financial statements for the 3-month financial period ended 31 March 2026 are as follows:

	Audited As at 31 December 2025		**Unaudited As at 31 March 2026**	
	Group RM'000	**Company RM'000**	**Group RM'000**	**Company RM'000**
Accumulated losses	(92,034)	(99,568)	(95,332)	(102,654)
Add:				
Credit from Proposed Capital Reduction	99,256	99,256	99,256	99,256
Less:				
Estimated expenses for the Proposed Capital Reduction	(100)	(100)	(100)	(100)
Resultant retained earnings / (accumulated losses)	7,122	(412)	3,824	(3,498)

Following shareholders' approval at a general meeting to be convened, the Company will seek the sanction of the High Court of Malaya, by way of an order pursuant to Section 116 of the Act, to confirm the Proposed Capital Reduction.

The effective date of the Proposed Capital Reduction will be the date of lodgement of the sealed copy of the court order from the High Court of Malaya for the Proposed Capital Reduction with the Registrar of Companies pursuant to Section 116 (6) of the Act.

The Proposed Capital Reduction will not result in the following:

(i) any adjustment to the reference share price of G3 Shares;
(ii) any change in the total number of Shares in issue or the number of Shares held by the shareholders of G3;
(iii) any payment to the shareholders of G3; and
(iv) any cash outflow or change in net asset (**"NA"**) of the Group, save for the estimated expenses to be incurred in relation to the Proposed Capital Reduction.

3. RATIONALE FOR THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction will enable G3 Group to rationalise their financial position by eliminating the accumulated losses via the cancellation of a portion of the issued share capital, thereby allowing the financial statements to more accurately reflect the value of the underlying assets and the overall financial position of G3 Group.

The resultant improvement in the balance sheet is expected to strengthen the financial standing of G3 Group and enhance its credibility with bankers, customers, suppliers, investors and other stakeholders.

In addition, the elimination of accumulated losses will place G3 Group in a better position to declare and pay dividends out of retained earnings in the future, as and when appropriate, upon a return to profitability and after taking into account the present and future funding needs of the Group.

4. EFFECTS OF THE PROPOSED CAPITAL REDUCTION

For illustrative purposes, the pro forma effects of the Proposed Capital Reduction on G3's issued share capital, NA, NA per share, gearing, earnings per share and substantial shareholders' shareholdings are set out below:

4.1 Issued share capital

The pro forma effects of the Proposed Capital Reduction on the issued share capital of the G3 Group as at the LPD are as follows:

	No. of G3 Shares ’000	**Share capital RM’000**
Issued share capital as at LPD	4,150,937	132,341
Proposed Capital Reduction (1)	-	(99,256)
Issued share capital after the Proposed Capital Reduction	4,150,937	33,085

Note:
(i) After cancellation of RM99.3 million of the Company's share capital pursuant to the Proposed Capital Reduction.

4.2 NA per Share and gearing

Based on the latest audited financial statements of G3 Group as at FYE 31 December 2025, the pro forma effects of the Proposed Capital Reduction on the NA per Share and gearing of the Group are set out as follows:

	Audited FYE 31 December 2025 RM'000	After the Proposed Capital Reduction[(i)] RM'000
Share capital	132,341	33,085
(Accumulated losses) / retained earnings	(92,034)	7,122
Equity attributable to shareholders / NA	40,307	40,207
Non-controlling interest	(2,452)	(2,452)
Total equity	37,855	37,755
Number of Shares in issue ('000)	4,150,937	4,150,937
NA per Share (RM)	0.01	0.01
Total borrowings	-	-
Gearing ratio (times)	-	-

Note:

(i) After cancellation of RM99.3 million of the Company's share capital and recognition of corresponding credit pursuant to the Proposed Capital Reduction and deducting estimated expenses of RM0.1 million in relation to the Proposed Capital Reduction.

4.3 Substantial shareholders' shareholdings

The Proposed Capital Reduction will not have any effect on the substantial shareholders' shareholdings in the Company.

4.4 Earnings per Share

The Proposed Capital Reduction is not expected to have any immediate material effect on the earnings of G3 Group for the financial year ending 31 December 2026.

4.5 Convertible securities

The Company does not have any convertible securities in issue as at the LPD.

5. APPROVALS REQUIRED

The Proposed Capital Reduction is subject to the following approvals being obtained:

(i) the approval by shareholders of the Company at a general meeting to be convened;

(ii) an order of the High Court for the Proposed Capital Reduction; and

(iii) the approval of any other relevant authorities, if required.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED

None of the Directors and/or major shareholders, chief executive of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Capital Reduction.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Capital Reduction, including but not limited to the rationale and the financial effects of the Proposed Capital Reduction, is of the opinion that the Proposed Capital Reduction is in the best interest of the Company and its shareholders.

8. ADVISER

Thinkat has been appointed as adviser to the Company for the Proposed Capital Reduction.

9. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Capital Reduction, as at the date of this Announcement, there are no other outstanding corporate proposals that have been announced by G3 but pending completion.

The Proposed Capital Reduction is not conditional upon any other proposals undertaken or to be undertaken by the Company.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Capital Reduction is expected to be completed by the first quarter of 2027.

This Announcement is dated 12 May 2026.