

G3 GLOBAL BERHAD

Company No. 200201002733 (570396-D)
(Incorporated in Malaysia)

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT BALLROOM I & II, LEVEL 1, MAIN WING, JALAN KELAB TROPICANA, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON WEDNESDAY, 29 JULY 2020 AT 11.00 A.M.

After confirmation that a quorum was present pursuant to the Company's Constitution, the Chairman of the Company called the meeting to order at 11.00 a.m.

All the resolutions tabled at the Eighteenth Annual General Meeting ("18th AGM") of the Company held on 29 July 2020 and voted by poll were duly passed by the shareholders.

The results of the poll were validated by Symphony Merchant Sdn Bhd, the independent Scrutineer appointed by the Company.

The Company circulated the response to the questions posted by Minority Shareholders Watch Group ("MSWG") via their letter dated 22 July 2020 to the Company. Please refer to the Appendix attached below on the questions and responses.

Shareholders of the Company also posted the following questions to the Board during the meeting:-

1. Whether the prospect of the Artificial Intelligence ("AI") Park project is affected by the change in Government?

Datuk Chairman informed the shareholders that the engagement with respective Government agencies for the AI Park Project is still ongoing and the Government is still interested to continue with the project.

2. The location of AI Park?

Datuk Chairman informed the shareholders that the location of the AI Park will be announced in due course.

3. The expected time frame on the status of the AI Park?

Datuk Chairman informed the shareholders that the Covid-19 pandemic has caused a delay in the progress of the proposed AI Park but the Board of G3 Global Berhad ("G3") do not foresee any changes as the new Government is still keen and interested to realize this project. Datuk Chairman explained the tentative date for the implementation of AI Park project will most likely be announced by the Government in 2021.

4. The rationale for the proposed increase of the Directors' fees and Directors' benefits despite the Company recorded losses as well as the negative impact of the recent Covid-19 pandemic?

The Board informed the shareholders of the Company that the proposed Directors' fees and Directors' benefits for the financial year ending 31 December 2020 is to facilitate payment of Directors' fees and Directors' benefits, calculated based on the number of scheduled Board and committee meetings for the financial year ending 31 December 2020 as well as potential appointment of additional new directors.

5. It is necessary for the Company to get this authority to allot and issue shares pursuant to section 75 & 76 of the Companies Act 2016 ("Mandate")?

The Board informed the shareholders of the Company that it is quite normal for such resolution to be tabled for shareholders' approval and that the Company has also tabled a similar motion in last year's AGM.

There being no other business, the 18th AGM ended at 11.45 a.m. with a vote of thanks to the Chairman.

RESPONSES TO QUERIES BY MSWG

Re: 18th Annual General Meeting (AGM) of G3 Global Berhad (G3 Global) to be held on Wednesday 29 July 2020

Strategy/Financial Matters

- 1) The Group has been incurring losses since as early as FY2015 and revenue is still very low, hovering just below RM15million in the last two financial years.
What are the Group's strategies to generate significantly higher revenue? When is it expected to turn profitable?

G3 Global response:

We just transform our business to focus in ICT business in February 2020. This would require time to gain traction in the market. We will be focusing on Artificial Intelligence ("AI") solutions which will propel the business further. We expect to turn profitable by 2022 as AI solutions would require support from partners' large client base to expand the sale of our products and services.

- 2) Through G3' IoT agriculture system implemented in 2019, farmers enjoyed the rise in crop yield by approximately 64% and fertilizer savings by approximately 60%. (Page 4 of Annual Report – AR)

How much of the Group's revenue was generated from the IoT agriculture system in FY2019? What further achievements have been made since then? What is the outlook going forward?

G3 Global response:

IoT agriculture system generated RM391,000 in year 2019 as we are focusing on business development. In year 2020, we exploring the possibility of marketing the solutions to various government agencies especially agricultural sectors. Currently, working on a pilot in Selangor.

- 3) The global market for telematics solutions stands at USD41 billion in 2022 with compound annual growth rate of 14% autonomous vehicles at USD54 billion and 125 cities rolling out smart mobility projects. The Group grew 17 times in fleet size between 2018 and 2019 proving the growth in demand for telematic products. (Page 4 of AR)

How ready is the Group in dealing with telematics solutions, its progress and any achievements/results seen?

G3 Global response:

Fleet size grew to 17 times from 2018 to 2019 showing the increase in adoption of our telematics solutions.

- 4) On 26th April 2019, the Company announced the signing of a Memorandum of Understanding with SenseTime Group Ltd of Hong Kong and China Harbour Co. Ltd of China for a proposed joint-venture to set up an AI Park in Malaysia for the development of AI Solutions and other related technology, facilities and infrastructure. (Page 5 of AR)

a) What is the status, progress and timeline towards setting up the AI Park?

G3 Global response:

The Covid-19 crisis had caused a delay but we don't foresee any changes as we continue to engage the government to realize this project. Discussion with relevant authorities and consultants are ongoing.

b) When does the Group expect to generate revenue from AI?

G3 Global response:

We don't expect revenue from AI park in year 2020.

- 5) Administrative expenses and other expenses increased substantially to RM11.66 million and RM4.5 million respectively in FY19, from RM7.82 million and RM1.11 million in FY18 (page 57 of AR2019).

What were the major reasons for the increase and what measures have been taken to contain the significant rise in these expenses?

G3 Global response:

Administration expenses increased due to hiring of staffs and business development team to further grow the Group's ICT business.

Other expenses increase due to disposal of apparel business leading to loss of RM2.3 million, expensed of research and development cost of RM1.2 million

In addition, staff costs also rose sharply from RM3.66 million in FY18 to RM6.87 million in FY19 (page 109 of AR2019).

What were the reasons for the sharp increase?

G3 Global response:

Increase in headcount in 2019 to grow the Group's ICT (mobility, IoT and AI) business.

- 6) 2 customers, in total, contributed substantially (87.2%) to the Group's revenue of RM14.21 million in FY19 (RM9.34 million and RM3.05 million respectively) (page 120 of AR2019).

There is a concern on concentration of customers risk.

a) What measures have been taken to mitigate the concentration risk? What is the latest percentage contribution by these two major customers (as of May or June 2020)?

G3 Global response:

We are focusing in growing our AI system with Sensetime starting Q3, 2020 in view of Covid-19 pandemic where there is an increase in demand for our AI solutions which will assist in mitigating the concentration risk. In addition, we are working to diversify our customer base to other large conglomerate, government agencies, etc.

b) Are the two customers related parties and if so, are the transactions on an 'arm's length' basis?

G3 Global response:

We are leveraging on shareholders reach to promote our ICT solutions. The transactions are at arm's length basis and approval has been obtained Recurrent Related Party Transactions Circular adopted on 24 June 2019.

- 7) The Annual Report does not disclose 5-year financial highlights.

For ease of reference and usefulness to shareholders and potential investors, it is good practice for the Company to include in its Annual Report, 5-year financial highlights disclosing key financial indicators. Such indicators include revenue, profit before and after tax, cash position, gearing ratio, dividends and dividend pay-out ratio, earnings per share and net assets per share

G3 Global response:

We take note of your suggestion

Corporate Governance Matters

1. Practice 12.3 of Malaysian Code on Corporate Governance stipulates that listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate –

- voting in absentia; and
- remote shareholders' participation at General Meetings.

In its Corporate Governance Report, the Company reported that it has applied the Practice explaining that the Company's general meetings have always been held at a venue easily accessible by shareholders. Shareholders are entitled to appoint proxies to vote on their behalf in their absence.

The Practice does not only relate to accessibility of general meeting's venue and proxy but more towards the leveraging of technology to facilitate voting in absentia and remote shareholders' participation at general meetings. As such, the explanations are not relevant to the requirements of the practice.

G3 Global response:

We take note your comments on Practice 12.3 and we will consider using technology to facilitate in the coming AGM.

2. In the Annual Report, under the profile for independent non-executive director, Mr. Yong Kim Fui, there is no disclosure of the date of his appointment as a director. (Page 9 of AR)

This is not in compliance with Bursa Malaysia's Listing Requirements Appendix 9C Part A (3)(c). Please explain.

G3 Global response:

Mr Yong has been appointed on 29 January 2016. We will update the information in the following year Annual Report.