



**NEXTGREEN GLOBAL BERHAD**

(Company no: 719660-W)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020**

	Quarter Ended			Year-To-Date Ended		
	30.09.2020 RM'000 (Reviewed)	30.09.2019 RM'000	Changes %	30.09.2020 RM'000 (Reviewed)	30.09.2019 RM'000	Changes %
Revenue	16,465	-	-	24,830	-	-
Other operating revenue	382	-	-	2,971	-	-
Total revenue	16,847	-	-	27,801	-	-
Other operating expenses	(10,932)	-	-	(21,304)	-	-
Profit from operations	5,915	-	-	6,497	-	-
Finance income	1	-	-	2	-	-
Finance cost	(255)	-	-	(763)	-	-
Profit/(Loss) before tax	5,662	-	-	5,736	-	-
Income tax expense	-	-	-	-	-	-
Profit/(Loss) for the period	5,662	-	-	5,736	-	-
Other Comprehensive Income						
Foreign currency translation	(211)	-	-	107	-	-
Total comprehensive income for the period	5,451	-	-	5,842	-	-
Profit for the financial period attributable to:						
Owners of the Company	5,662	-	-	5,736	-	-
Non-controlling interest	-	-	-	-	-	-
	5,662	-	-	5,736	-	-
Total Comprehensive Income attributable to:						
Owners of the Company	5,451	-	-	5,842	-	-
Non-controlling interest	-	-	-	-	-	-
	5,451	-	-	5,842	-	-
<b>Earning/ (Loss) per share attributable to the equity holders of the Company (sen)</b>						
- Basic (Note Part B, No:10)	1.07	-	-	1.05	-	-

Notes:

- i) The financial year end of the Group has been changed from 30 June to 31 December w.e.f from Financial Year ended 31 December 2019. Therefore, there will be no comparative financial information available for both individual and cumulative periods ended 30 September 2020.
- ii) The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2019 and the accompanying notes to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

	Reviewed As at 30.09.2020 RM'000	Audited As at 31.12.2019 RM'000
<b>Assets</b>		
Property, plant and equipment	52,205	53,865
Intangible asset	500	500
Other investments	13	13
Inventories	6,757	6,457
Deferred tax assets	148	148
<b>Non-current assets</b>	<b>59,423</b>	<b>60,983</b>
<b>Current assets</b>		
Inventories	63,647	45,207
Trade receivables	25,684	13,285
Other receivables, deposits and prepayments	12,524	8,707
Tax recoverable	174	1,307
Fixed deposit with a licensed bank	58	55
Cash and bank balances	709	1,685
<b>Current assets</b>	<b>102,796</b>	<b>70,246</b>
<b>Total assets</b>	<b>162,219</b>	<b>131,229</b>
<b>Equity and liabilities</b>		
Share capital	162,486	135,678
Retained earnings	(30,339)	(36,182)
Equity attributable to owners of the Company	132,147	99,497
Non-controlling interest	-	-
<b>Total equity</b>	<b>132,147</b>	<b>99,497</b>
Hire purchase liabilities	170	235
Borrowings	10,000	5,100
<b>Non-current liabilities</b>	<b>10,170</b>	<b>5,335</b>
Trade payables	9,720	11,842
Other payables and accruals	10,038	14,002
Tax payable	-	-
Borrowings	100	430
Hire purchase liabilities	43	123
<b>Current liabilities</b>	<b>19,902</b>	<b>26,397</b>
<b>Total liabilities</b>	<b>30,072</b>	<b>31,732</b>
<b>Total equity and liabilities</b>	<b>162,219</b>	<b>131,229</b>
<b>Net Asset per share (RM)</b>	<b>0.23</b>	<b>0.20</b>

Note:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2019 and the accompanying notes to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2020**

	Share capital RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Merger reserve RM'000	Treasury shares RM'000	Warrant reserve RM'000	Retained profits/ (Accumulated loss) RM'000	Equity attributable to owners of the Company RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 Jan 2020 (Reviewed)	135,678	-	(214)	(16,833)	-	16,855	(35,990)	99,497	-	99,497
Profit/ (Loss) for period	-	-	-	-	-	-	5,736	5,736	-	5,736
Other comprehensive income, net of income tax	-	-	107	-	-	-	-	107	-	107
Total comprehensive income	-	-	107	-	-	-	5,736	5,842	-	5,842
<b>Transactions with owners:</b>										
Issue of shares pursuant to private placements	26,850	-	-	-	-	-	-	26,850	-	26,850
Share issue expenses	(42)	-	-	-	-	-	-	(42)	-	(42)
Total transactions with owners	26,808	-	-	-	-	-	-	26,808	-	26,808
<b>At 30 September 2020</b>	<b>162,486</b>	<b>-</b>	<b>(108)</b>	<b>(16,833)</b>	<b>-</b>	<b>16,855</b>	<b>(30,254)</b>	<b>132,147</b>	<b>-</b>	<b>132,147</b>
At 1 July 2018 (Audited)	114,592	2,798	(315)	(16,833)	(8,195)	16,855	9,586	118,487	-	118,487
Loss for the period	-	-	-	-	-	-	(45,575)	(45,575)	-	(45,575)
Other comprehensive income	-	-	101	-	-	-	-	101	-	101
Total comprehensive income	-	-	101	-	-	-	(45,575)	(45,474)	-	(45,474)
Transactions with owners:										
Transfer from share premium	1,843	(1,843)	-	-	-	-	-	-	-	-
Disposal treasury shares	-	(955)	-	-	8,195	-	-	7,240	-	7,240
Issue of shares pursuant to private placements	19,385	-	-	-	-	-	-	19,385	-	19,385
Share issue expenses	(141)	-	-	-	-	-	-	-	-	(141)
	21,807	(2,798)	-	-	-	-	-	26,484	-	26,484
<b>At 31 December 2019</b>	<b>135,678</b>	<b>-</b>	<b>(214)</b>	<b>(16,833)</b>	<b>-</b>	<b>16,855</b>	<b>(35,990)</b>	<b>99,497</b>	<b>-</b>	<b>99,497</b>

Note:

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2019 and the accompanying notes to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2020**

	Year-To-Date Ended	
	30.09.2020 RM'000 (Reviewed)	30.09.2019 RM'000 (reviewed)
<b>Cash flows from/(used in) operating activities</b>		
Profit/ (Loss) before tax	5,736	-
Adjustment for:		
Depreciation	1,907	-
Realised/ Unrealised of loss on foreign exchange	58	-
Reversal of allowance for Expected Credit Loss (ECL)	(35)	-
(Gain)/ Loss on disposal of plant & equipment	(140)	-
Dividend income	(1)	-
Interest expense	1,527	-
Interest income	(3)	-
<b>Operating profit before working capital changes</b>	<b>9,049</b>	<b>-</b>
Increase in inventories	(18,539)	-
Increase in trade and other receivables	(14,539)	-
Increase in trade and other payables	(6,106)	-
Cash used for operations	(30,116)	-
Income tax refunded	1,136	-
Income tax paid	(3)	-
<b>Net cash used in operating activities</b>	<b>(28,983)</b>	<b>-</b>
<b>Cash flows from/(used in) investing activities</b>		
Purchase of plant & equipment	(195)	-
Proceeds from disposal of plant & equipment	275	-
Deposit paid for purchase of plant & equipment	1,700	-
Placement of fixed deposit with maturity more than 3 months	(3)	-
Dividend received	1	-
Interest received	3	-
<b>Net cash used in investing activities</b>	<b>(1,619)</b>	<b>-</b>
<b>Cash flows from/(used) in financing activities</b>		
Proceeds from:		
-Term loan	4,900	-
-Private placement of share	26,808	-
Repayment of:		
-Trade finance	(330)	-
-Hire purchase liabilities	(144)	-
-Interest paid	(1,527)	-
<b>Net cash flow from financing activities</b>	<b>29,707</b>	<b>-</b>
Net increased in cash and cash equivalents	(895)	-
Cash and cash equivalents at beginning of year	1,423	-
Effect of exchange rate changes	81	-
<b>Cash and cash equivalents at end of period</b>	<b>609</b>	<b>-</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash and bank balance	709	-
Fixed deposits*	58	-
Bank overdraft	(100)	-
	667	-
*Fixed deposit pledged with licensed bank	(58)	-
<b>Cash and cash equivalents at end of period</b>	<b>609</b>	<b>-</b>

Notes:

The financial year end of the Group has been changed from 30 June to 30 September. As such, there will be no comparative financial information available for the corresponding quarter ended 30 September 2020.

## **NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

### **PART A – EXPLANATORY NOTES AS PER MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING**

#### **1. BASIS OF PREPARATION**

These condensed consolidated financial statement (“Condensed Report”) have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting*, the International Accounting Standard (IAS) 34 *Interim Financial Reporting* and the requirement of the Companies Act 2016 in Malaysia, where applicable.

This Condensed Report has also been prepared in accordance with Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2019. The explanatory notes attached to this Condensed Report provide explanation of the events and transaction that are significant for the understanding of the changes in the financial position and performance of the Group since the Financial year ended 31 December 2019.

The significant accounting policies and methods adopted for the unaudited condensed consolidated financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2019. The Group has also adopted the following amendments to MFRS that came into effect on 1 January 2020 which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- |                                       |                          |
|---------------------------------------|--------------------------|
| ▪ Amendments to MFRS 3                | Definition of a Business |
| ▪ Amendments to MFRS 101 and MFRS 108 | Definition Material      |

The Group is in the process of assessing the impact of IFRIC Agenda Decision on “Lease Term and Useful Life of Leasehold Improvements” to its financial statements.

#### **Amendments to MFRS that is applicable to the Group but not yet effective**

The Malaysian Accounting Standards Board had issued the following amendments to MFRS of which are effective for the financial period beginning on or after 1 January 2021. The Group did not early adopt these amendments to MFRS and they are not expected to have a significant effect on its consolidated financial statements:

- |                          |   |
|--------------------------|---|
| ▪ Amendments to MFRS 101 | Classification of liabilities as current or non-current |
|--------------------------|---|

#### **2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audited financial statements for the financial year ended 31 December 2019 were not subject to any qualification.

#### **3. COMMENTS ABOUT SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business operations of The Group were not materially affected by seasonal or cyclical changes.

#### **4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group during the current financial quarter under review, that are unusual by reason of their nature, size or incidence.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**
**PART A – EXPLANATORY NOTES AS PER MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING**
**5. CHANGES IN ESTIMATES**

There were no changes in estimates of amounts which have a material effect on the results in the current quarter under review.

**6. DEBT AND EQUITY SECURITIES**

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter under review and year to date except the following:

- On 14 October 2019, the Group had announced to undertake a proposed private placement of up to 15% of the total number of issued share entailing 115,905,423 new shares in tranches. On 30 October 2019, the Group announced that Bursa Securities, vide its letter dated 30 October 2019, approved the listing and quotation to be issued pursuant to the Proposed Private Placement.

The details of issuance of private placement as of 30 September 2020 were as follow:

<b>Tranches</b>	<b>Date issued</b>	<b>No of shares</b>	<b>Issue Price (RM)</b>	<b>Proceed (RM)</b>
1 <sup>st</sup> tranche	15/01/2020	10,000,000	0.40	4,000,000
2 <sup>nd</sup> tranche	17/03/2020	5,000,000	0.40	2,000,000
3 <sup>rd</sup> tranche	25/03/2020	12,500,000	0.40	5,000,000
4 <sup>th</sup> tranche	29/06/2020	5,000,000	0.40	2,000,000
5 <sup>th</sup> tranche	20/07/2020	10,000,000	0.40	4,000,000
6 <sup>th</sup> tranche	03/08/2020	7,000,000	0.40	2,800,000
7 <sup>th</sup> tranche	18/09/2020	17,625,000	0.40	7,050,000
		<b>67,125,000</b>		<b>26,850,000</b>

At date of issuance of this report, the Group had completed the final tranche of the Private Placement totaling to **8,500,000 no of share at issuance price of RM0.405 per share giving the total proceed of RM 3,442,500.00**

**7. SEGMENT INFORMATION**

The financial year end of the Group has been changed from 30 June to 31 December w.e.f from Financial Year ended 31 December 2019. Therefore, there will be no comparative segmental result available for both corresponding preceding quarter Year-To-Date. The segmental results for the period under review are as follows:

	<b>Revenue</b>		<b>Other income</b>		<b>Operating overhead</b>		<b>Profit/ (Loss) before tax</b>	
	<b>Q3</b>	<b>YTD</b>	<b>Q3</b>	<b>YTD</b>	<b>Q3</b>	<b>YTD</b>	<b>Q3</b>	<b>YTD</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Printing & Publishing	2,936	6,393	486	1,038	(3,803)	(10,242)	(379)	(2,811)
Property Development	14,328	19,243	7	14	(6,901)	(8,866)	7,434	10,392
Manufacturing	-	-	7	19	(840)	(2,502)	(833)	(2,483)
Others*	60	129	12	2,265	(632)	(1,755)	(560)	639
Elimination	(859)	(935)	(130)	(363)	989	1,299		

\*Others – Holding co & Dormant companies

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020****PART A – EXPLANATORY NOTES AS PER MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING****8. DIVIDEND PAID**

There was no dividend paid in the current financial period to date.

**9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of the property, plant and equipment in the current quarter under review.

**10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER**

There were no material events between the end of the current quarter and the date of this report, which are likely to substantially affect the current quarter results under review.

**11. CHANGES IN THE COMPOSITION OF THE GROUP**

During the quarter under review, there is no change in the composition of the Group.

**12. CONTINGENT LIABILITIES**

There were no changes in other contingent liabilities since the last annual financial statements as at 31 December 2019.

**13. CAPITAL COMMITMENTS**

There were no material changes in capital commitments since the last annual financial statements as at 31 December 2019.



**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020****PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****1. REVIEW OF PERFORMANCE**

The Group recorded Profit before tax (PBT) of RM5.66 million for the current quarter under reviewed and RM5.74 million for the year to date ended 30 September 2020. High Group's profit in the current quarter under review was mainly due to the higher revenue recorded. The revenue was increased by RM15.86 million as compared to the Quarter 2. The Group segmental performance was tabulated on item 7, Part A of the explanatory notes to financial statement.

Property Development segment recorded higher revenue and has contributed 87% (RM14.33 million) of the Group revenue for the current quarter under review. Those revenue was solely derived from sale of two (2) piece of sub-divided land in GTP. This segment has achieved a Profit before tax of RM7.43 million for the current quarter and RM10.39 million for the year to date.

Printing & Publishing business segment remain resilient during the Covid-19 Pandemic which affecting most of the business activities locally and globally. The present local customer has reduced the order and some customer has ceased operation. Despite of this pandemic, this segment was able to achieved RM2.94 million revenues during the quarter under review which was only derived from local customer. Due to the lower revenue, this segment continues recorded loss before tax which RM0.38 million for the current quarter and RM2.11 million for Year-To-date 30 September 2020

As for manufacturing segment, its yet to contribute any revenue to the Group as the Pulp & Paper Manufacturing Plant is still under construction. As for now, this segment was incurring pre-operating expenses and as a result, its recorded a loss before tax amounting to RM0.83 million for the quarter under review and RM2.48 million as of year to date ended 30 September 2020.

**2. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

Group has changed the financial year end cycle from 30 June to 31 December starting for the financial year end 31 December 2019. Therefore, the was no available comparative analysis to be made with the Preceding Quarter's result.

**3. PROSPECTS**

The overall domestic market sentiment on consumer spending remains weak and uncertain for private sector during COVID-19 Pandemic. The Board remain cautious and expects the financial year to remain challenging in view of global uncertainties and the continuous impact of Covid-19 pandemic. However, the Group are hoping and expecting positive turn around in the last quarter 2020.

The Company expects more print orders from local customers, both private and government sectors. The Group via its subsidiary, BHS Book Printing has diverse it operational activities by offering box and packaging printing job to the customers. Therefore, the sales are expected to be higher in coming quarter.

On Property development segment, the Company is presently actively negotiating with few potential buyers to sell sub-divided land in the GTP. The Group is looking forward on the progress of the construction work of the Pulp & Paper Manufacturing plant which was expected to be on trial run in first Quarter 2021.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

4. PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in the current financial year.

5. INCOME TAX EXPENSE

The Group did not incur any tax expense during the current period under review.

A subsidiary of the Company, Ultimate Ivory Sdn Bhd ("UISB") was granted East Coast Economic Region ("ECER") incentive by Malaysia Investment Development Authorities. By virtue of ECER, the statutory income of UISB from property development activities under Income Tax (exemption) (No.8) Order 2016//P.U 161/2016, Income Tax Act 1067 are exempted from income tax for period of 10 years commencing from first year of assessment of 2017.

6. PROFIT BEFORE TAX

The following items have been charged/(credited) in arriving at the profit before tax:

	Year-To-Date ended 30/09/2020	Year-To-Date ended 30/09/2019
	RM'000	RM'000
Depreciation expenses	1,907	-
Foreign exchange gain/ (loss)		
- Realised	34	-
- Unrealised	24	-
Reversal of allowance for Expected Credit Loss (ECL)	35	-
(Gain)/ Loss on disposal of plant & equipment	140	-

The financial year end of the Group has been changed from 30 June to 31 December w.e.f from Financial Year ended 31 December 2019. Therefore, there will be no comparative figure available for corresponding preceding quarter Year-To-Date.

7. GROUP'S BORROWINGS AND DEBT SECURITIES

The Group borrowings as at 30 September 2020 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
<b>Secured</b>			
Hire purchase	43	170	213
Term loan	-	10,000	10,000
Bank overdraft	100	-	100
	<b>143</b>	<b>10,170</b>	<b>10,3138</b>

Group's gearing ratio was stood at 0.08 time as of Year-To-Date ended 30 September 2020

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**8. MATERIAL LITIGATION**

Neither the Company nor its subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant, which have a material effect on the financial position of the Company or its subsidiaries and the Board is not aware of any proceedings pending or threatened or of any acts likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

**9. DIVIDENDS**

The Board of Directors did not propose any dividend for the quarter under review.

**10. EARNING/ (LOSS) PER SHARE**

Basic Earning/ (Loss) per ordinary shares calculated by dividing net profit/(loss) attributable to owner of the company and weighted average number of ordinary shares in issue (excluding treasury shares) during the period under reviewed.

	<b>Quarter ended 30.09.2020</b>	<b>Year-To-Date ended 30.09.2020</b>	<b>18 months ended 31.12.2019</b>
Profit/(loss) attributable to owners of the Company (RM'000)	5,662	5,736	(45,575)
Weighted average number of ordinary shares issued ('000)	526,667	526,667	459,513
<b>Earnings/ (Loss) Per Share (sen)</b>	<b>1.07</b>	<b>1.05</b>	<b>(9.92)</b>

**11. AUTHORISATION TO ISSUE**

The interim financial statements were authorized for release by the Board of Directors as per the Board Meeting held on 21 November 2020.