



**NEXTGREEN GLOBAL BERHAD**  
[Registration No. 200501037512 (719660-W)]

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021**

|   | Individual period    |                      |                | Cumulative period    |                      |                 |
|---|----------------------|----------------------|----------------|----------------------|----------------------|-----------------|
|   | 30.06.2021<br>RM'000 | 30.06.2020<br>RM'000 | Changes<br>%   | 30.06.2021<br>RM'000 | 30.06.2020<br>RM'000 | Changes<br>%    |
|   | (Reviewed)           | (Reviewed)           |                | (Reviewed)           | (Reviewed)           |                 |
| Operating revenue   | 10,592               | 602                  | >100           | 19,543               | 8,365                | >100            |
| Non operating revenue                                     | 228                  | 2,430                | -90.6          | 539                  | 2,589                | -79.2           |
| Total revenue   | 10,820               | 3,032                | >100           | 20,082               | 10,954               | 83              |
| Operating expenses  | (11,491)             | (3,996)              | >100           | (19,976)             | (10,373)             | 92.6            |
| Profit from operations                                    | (671)                | (964)                | >-30.4         | 106                  | 582                  | >-81.8          |
| Finance income  | 2                    | -                    | >100           | 4                    | 1                    | >100            |
| Finance cost  | (458)                | (314)                | 45.9           | (807)                | (509)                | 58.5            |
| (Loss)/ profit before tax                                 | (1,127)              | (1,278)              | -11.8          | (697)                | 74                   | >-100           |
| Income tax expense  | -                    | -                    | -              | -                    | -                    | -               |
| <b>Net (loss)/ profit for the period</b>                  | <b>(1,127)</b>       | <b>(1,278)</b>       | <b>-11.8</b>   | <b>(697)</b>         | <b>74</b>            | <b>&gt;-100</b> |
| <b>Net (loss)/ profit for the period attributable to:</b> |                      |                      |                |                      |                      |                 |
| Owners of the Company                                     | (1,124)              | (1,278)              | 12.1           | (717)                | 74                   | >-100           |
| Non-controlling interest                                  | (3)                  | -                    | >100           | 20                   | -                    | >-100           |
|   | <b>(1,127)</b>       | <b>(1,278)</b>       | <b>&gt;100</b> | <b>(697)</b>         | <b>74</b>            | <b>-</b>        |

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021**

|   | Individual period    |                      |              | Cumulative period    |                      |                 |
|---|----------------------|----------------------|--------------|----------------------|----------------------|-----------------|
|   | 30.06.2021<br>RM'000 | 30.06.2020<br>RM'000 | Changes<br>% | 30.06.2021<br>RM'000 | 30.06.2020<br>RM'000 | Changes<br>%    |
|   | (Reviewed)           | (Reviewed)           |              | (Reviewed)           | (Reviewed)           |                 |
| <b>Net (loss)/ profit for the period</b>                                  | <b>(1,127)</b>       | <b>(1,278)</b>       | <b>11.8</b>  | <b>(697)</b>         | <b>74</b>            | <b>&gt;-100</b> |
| Other comprehensive income/ (loss):                                       |                      |                      |              |                      |                      |                 |
| Gain/(Loss) on foreign currency translation                               | 10                   | (10)                 | >100         | 223                  | 318                  | -29.9           |
| <b>Total comprehensive (loss)/ income for the period</b>                  | <b>(1,117)</b>       | <b>(1,288)</b>       | <b>13.2</b>  | <b>(474)</b>         | <b>392</b>           | <b>&gt;-100</b> |
| <b>Total comprehensive (loss)/ income for the period attributable to:</b> |                      |                      |              |                      |                      |                 |
| Owners of the Company   | (1,114)              | (1,288)              | 13.5         | (494)                | 392                  | >-100           |
| Non-controlling interest  | (3)                  | -                    | >100         | 20                   | -                    | >100            |
|   | <b>(1,117)</b>       | <b>(1,288)</b>       | <b>-</b>     | <b>(474)</b>         | <b>392</b>           | <b>-</b>        |

|  | Individual period           |                             | Cumulative period           |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 30.06.2021<br>Sen per share | 30.06.2020<br>Sen per share | 30.06.2021<br>Sen per share | 30.06.2020<br>Sen per share |
|  | (Reviewed)                  | (Reviewed)                  | (Reviewed)                  | (Reviewed)                  |
| <b>Earnings/(Loss) per share attributable to the owners of the company</b> |                             |                             |                             |                             |
| - Basic (loss)/ earning per share*   | (0.17)                      | (0.24)                      | (0.11)                      | 0.01                        |
| - Diluted EPS  | N/A                         | N/A                         | N/A                         | N/A                         |

\*Part B, note 10

**Notes:**

- 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 2020 and the accompanying notes to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021**

|   | <b>As at<br/>30.06.2021<br/>RM<br/>Reviewed</b> | <b>As at<br/>31.12.2020<br/>RM<br/>Audited</b> |
|---|---|--|
| <b>Non current assets</b>                           |   |  |
| Property, plant and equipment                       | 69,005,796                                      | 69,265,556                                     |
| Intangible assets                                   | 1,050,000                                       | 1,050,000                                      |
| Goodwill  | 888,279   | -  |
| Right-use-of assets                                 | 1,730,812                                       | 801,028  |
| Other investments                                   | 22,227  | 22,227   |
| Inventories   | 6,551,229                                       | 6,338,219                                      |
| Deferred tax assets                                 | 136,807   | 136,807  |
| <b>Non current assets</b>                           | <b>79,385,150</b>                               | <b>77,613,837</b>                              |
| <b>Current assets</b>                               |   |  |
| Inventories   | 106,912,843                                     | 70,449,952                                     |
| Trade receivables                                   | 13,367,163                                      | 12,852,102                                     |
| Other receivables, deposits and prepayments         | 24,877,483                                      | 12,796,460                                     |
| Tax recoverable                                     | 223,746   | 173,918  |
| Fixed deposit with a licensed bank                  | 162,246   | -  |
| Cash and bank balances                              | 3,905,991                                       | 1,205,116                                      |
| <b>Current assets</b>                               | <b>149,449,472</b>                              | <b>97,477,548</b>                              |
| <b>Total assets</b>                                 | <b>228,834,622</b>                              | <b>175,091,385</b>                             |
| <b>Equity</b>                                       |   |  |
| Share capital                                       | 213,253,316                                     | 171,566,160                                    |
| Redeemable convertible preference share             | 10,000,000                                      | -  |
| Reserve   | (30,599,578)                                    | (32,076,279)                                   |
| <b>Equity attributable to owners of the Company</b> | <b>192,653,738</b>                              | <b>139,489,881</b>                             |
| Non-controlling interest                            | (272,558)                                       | (61,507)                                       |
| <b>Total equity</b>                                 | <b>192,381,180</b>                              | <b>139,428,374</b>                             |
| <b>Non current liabilities</b>                      |   |  |
| Deferred tax liability                              | 9,005   | -  |
| Hire purchase liabilities                           | 44,019  | 120,103  |
| Lease liabilities                                   | 851,274   | 298,689  |
| Borrowings  | 8,920,000                                       | 8,320,000                                      |
| <b>Non current liabilities</b>                      | <b>9,824,298</b>                                | <b>8,738,792</b>                               |
| <b>Current liabilities</b>                          |   |  |
| Trade payables                                      | 7,991,584                                       | 9,382,968                                      |
| Other payables and accruals                         | 12,825,798                                      | 13,258,478                                     |
| Hire purchase liabilities                           | 198,388   | 78,989   |
| Borrowings  | 4,478,793                                       | 3,680,000                                      |
| Lease liabilities                                   | 930,602   | 522,011  |
| Tax payable   | 317   | 1,773  |
| Bank overdraft                                      | 203,662   | -  |
| <b>Current liabilities</b>                          | <b>26,629,144</b>                               | <b>26,924,219</b>                              |
| <b>Total liabilities</b>                            | <b>36,453,442</b>                               | <b>35,663,011</b>                              |
| <b>Total equity and liabilities</b>                 | <b>228,834,622</b>                              | <b>175,091,385</b>                             |
| <b>Net Asset per share (RM)</b>                     | <b>0.28</b>                                     | <b>0.23</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 2020 and the accompanying notes to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 30 JUNE 2021**

|  | Share capital      | Redeemable convertible preference share (RCPS) | Foreign currency translation reserve | Merger reserve      | Share option reserve | Warrant reserve   | Accumulated losses  | Equity attributable to owners of the Company | Non-controlling interest | Total equity       |
|--|--------------------|--|--------------------------------------|---------------------|----------------------|-------------------|---------------------|--|--------------------------|--------------------|
|  | RM                 | RM   | RM                                   | RM                  | RM                   | RM                | RM                  | RM   | RM                       | RM                 |
| <b>At 1 Jan 2021</b>                   | <b>171,566,160</b> | <b>-</b>                                       | <b>(337,135)</b>                     | <b>(16,832,846)</b> | <b>-</b>             | <b>-</b>          | <b>(14,906,298)</b> | <b>139,489,881</b>                           | <b>(61,507)</b>          | <b>139,428,374</b> |
| Profit for period                      | -                  | -  | -                                    | -                   | -                    | -                 | (716,284)           | (716,284)                                    | 19,640                   | (696,644)          |
| Other comprehensive income             | -                  | -  | 223,065                              | -                   | -                    | -                 | -                   | 223,065                                      | -                        | 223,065            |
| Total comprehensive income             | -                  | -  | 223,065                              | -                   | -                    | -                 | (716,284)           | (493,219)                                    | 19,640                   | (473,579)          |
| <b>Transactions with owners:</b>       |                    |  |                                      |                     |                      |                   |                     |  |                          |                    |
| Acquisition of subsidiary              | -                  | -  | -                                    | -                   | -                    | -                 | -                   | -  | (230,691)                | (230,691)          |
| Issue of shares via private placements | 42,015,608         | -  | -                                    | -                   | -                    | -                 | -                   | 42,015,608                                   | -                        | 42,015,608         |
| Issuance of new RCPS                   | -                  | 10,000,000                                     | -                                    | -                   | -                    | -                 | -                   | 10,000,000                                   | -                        | 10,000,000         |
| Share option granted                   | -                  | -  | -                                    | -                   | 1,969,920            | -                 | -                   | 1,969,920                                    | -                        | 1,969,920          |
| Share issue expenses                   | (328,452)          | -  | -                                    | -                   | -                    | -                 | -                   | (328,452)                                    | -                        | (328,452)          |
| Total transactions with owners         | 41,687,156         | 10,000,000                                     | -                                    | -                   | 1,969,920            | -                 | -                   | 53,657,076                                   | (230,691)                | 53,426,385         |
| <b>At 30 June 2021</b>                 | <b>213,253,316</b> | <b>10,000,000</b>                              | <b>(114,070)</b>                     | <b>(16,832,846)</b> | <b>1,969,920</b>     | <b>-</b>          | <b>(15,622,582)</b> | <b>192,653,738</b>                           | <b>(272,558)</b>         | <b>192,381,180</b> |
| <b>At 1 Jan 2020 (Audited)</b>         | <b>135,678,442</b> | <b>-</b>                                       | <b>(214,076)</b>                     | <b>(16,832,846)</b> | <b>-</b>             | <b>16,854,684</b> | <b>(35,989,593)</b> | <b>99,496,611</b>                            | <b>30</b>                | <b>99,496,641</b>  |
| Profit for the period                  | -                  | -  | -                                    | -                   | -                    | -                 | 4,228,611           | 4,228,611                                    | (61,537)                 | 4,167,074          |
| Other comprehensive loss               | -                  | -  | (123,059)                            | -                   | -                    | -                 | -                   | (123,059)                                    | -                        | (123,059)          |
| Total comprehensive income             | -                  | -  | (123,059)                            | -                   | -                    | -                 | 4,228,611           | 4,105,552                                    | (61,537)                 | 4,044,015          |
| <b>Transactions with owners:</b>       |                    |  |                                      |                     |                      |                   |                     |  |                          |                    |
| Warrants expired                       | -                  | -  | -                                    | -                   | -                    | (16,854,684)      | 16,854,684          | -  | -                        | -                  |
| Issue of shares via private placements | 36,092,500         | -  | -                                    | -                   | -                    | -                 | -                   | 36,092,500                                   | -                        | 36,092,500         |
| Share issue expenses                   | (204,782)          | -  | -                                    | -                   | -                    | -                 | -                   | (204,782)                                    | -                        | (204,782)          |
|  | 35,887,718         | -  | -                                    | -                   | -                    | (16,854,684)      | 16,854,684          | 35,887,718                                   | -                        | 35,887,718         |
| <b>At 31 December 2020 (Audited)</b>   | <b>171,566,160</b> | <b>-</b>                                       | <b>(337,135)</b>                     | <b>(16,832,846)</b> | <b>-</b>             | <b>-</b>          | <b>(14,906,298)</b> | <b>139,489,881</b>                           | <b>(61,507)</b>          | <b>139,428,374</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 2020 and the accompanying notes to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2021**

|   | <b>30.06.2021</b><br><b>RM'000</b><br><b>(Reviewed)</b> | <b>30.06.2020</b><br><b>RM'000</b><br><b>(Reviewed)</b> |
|---|---|---|
| <b>Cash flows used in operating activities</b>              |   |   |
| (Loss)/ Profit before tax                                   | (697)   | 74  |
| Adjustment for:   |   |   |
| Share option granted under ESOS                             | 1,970   |   |
| Depreciation  | 1,381   | 1,318   |
| Amortisation of Right-Use-Assets                            | 493   | -   |
| Unrealised of (gain)/loss on foreign exchange               | (82)  | 146   |
| Reversal of allowance for ECL                               | (82)  | -   |
| Gain on disposal of fixed asset                             | (9)   | -   |
| Interest on lease liability                                 | 57  | -   |
| Interest expense  | 750   | 509   |
| Interest income   | (4)   | (1)   |
| <b>Operating profit before working capital changes</b>      | <b>3,777</b>  | <b>2,046</b>  |
| Increase in inventories                                     | (35,177)  | (10,461)  |
| Increase in trade and other receivables                     | (7,612)   | (1,874)   |
| Decrease in trade and other payables                        | (3,758)   | (6,106)   |
| Cash used for operations                                    | (42,770)  | (16,394)  |
| Income tax paid   | (18)  | (2)   |
| <b>Net cash used in operating activities</b>                | <b>(42,788)</b>   | <b>(16,397)</b>   |
| <b>Cash flows used in investing activities</b>              |   |   |
| Addition of property, plant & equipment                     | (1,081)   | -   |
| Proceeds from disposal of plant & equipment                 | 77  | -   |
| Acquisition of subsidiary, net cash acquired                | (329)   | -   |
| Deposit paid for purchase of plant and equipment            | (4,000)   | -   |
| Placement of fixed deposit with maturity more than 3 months | (33)  | (4)   |
| Interest received   | 4   | 1   |
| <b>Net cash used in investing activities</b>                | <b>(5,362)</b>  | <b>(3)</b>  |
| <b>Cash flows from financing activities</b>                 |   |   |
| Proceed from:   |   |   |
| -Term loan  | 600   | 4,900   |
| -Private placement of share, net off share issuance cost    | 41,687  | 12,958  |
| -Proceeds from issuance of RCPS                             | 10,000  | -   |
| Repayment of:   |   |   |
| -Trade finance  | -   | (216)   |
| -Term loan  | (467)   | -   |
| -Hire purchase liabilities                                  | (127)   | (120)   |
| -Lease liability  | (462)   | -   |
| -Interest on lease liability                                | (57)  | -   |
| -Interest paid  | (750)   | (509)   |
| <b>Net cash flow from financing activities</b>              | <b>50,424</b>   | <b>17,013</b>   |
| Net increase in cash and cash equivalents                   | 2,274   | 661   |
| Cash and cash equivalents at beginning of year              | 1,205   | 1,423   |
| Effect of exchange rate changes                             | 223   | 318   |
| <b>Cash and cash equivalents at end of period</b>           | <b>3,702</b>  | <b>2,402</b>  |

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2021 (Continued)**

|  | <b>30.06.2021<br/>RM'000</b> | <b>30.06.2020<br/>RM'000</b> |
|--|------------------------------|------------------------------|
|  | <b>(Reviewed)</b>            | <b>(Reviewed)</b>            |
| <b>Cash and cash equivalents at end of period comprise of:</b> |                              |                              |
| <b>Cash and cash equivalents comprise of:</b>                  |                              |                              |
| Cash and bank balances   | 3,906                        | 2,402                        |
| Fixed deposits*  | 162                          | 58                           |
| Bank overdraft   | (204)                        | -                            |
|  | <b>3,864</b>                 | <b>2,460</b>                 |
| *Fixed deposit pledged with licensed bank                      | (162)                        | (58)                         |
| <b>Cash and cash equivalents at end of period</b>              | <b>3,702</b>                 | <b>2,402</b>                 |

**Note:**

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING****1. BASIS OF PREPARATION**

The Interim Financial Report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“BMSB”).

The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

**2. SIGNIFICANT ACCOUNT POLICY****2.1 Adoption of Amendments to Standards**

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2020, except for the following:

Effective for financial periods beginning on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2

**2.2 Standards issued but not yet effective**

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective.

Effective for financial periods beginning on or after 1 April 2021

- Amendment to MFRS 16 - Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

Effective for financial periods beginning on or after 1 January 2022

- Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds Before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020:
  - Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
  - Amendment to MFRS 9 Financial Instruments
  - Amendment to MFRS 141 Agriculture

Effective for financial periods beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective date of these Amendments to Standards has been deferred, and yet to be announced

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**
**PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING**
**3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audited financial statements for the financial year ended 31 December 2020 were not subject to any qualification.

**4. COMMENTS ABOUT SEASONALITY OR CYCLICALITY OF OPERATIONS**

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

**5. 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.

**6. 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.

**7. 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:

7.1 On 28 October 2020, the Group had announced to undertake a proposed private placement of up to 20% of the total number of issued shares entailing 127,554,100 new shares in tranches. On 19 November 2020, the Group announced that Bursa Securities, vide its letter dated 19 November 2020, approved the listing and quotation to be issued pursuant to the Proposed Private Placement.

During the quarter under review, 11,458,300 new shares has been issued giving the total fund raised amounting to RM6,015,608 and as for the year to date ended 30 June 2021, the new share issued was 101,458,300 with the total proceed raised amounting to RM42,015,608. The details issuance of the new share are as follow:

| <u>Date issued</u> | <u>Issue Price (RM)</u> | <u>No of shares</u> | <u>Proceed (RM)</u> |
|--------------------|-------------------------|---------------------|---------------------|
| 11/02/2021         | 0.400                   | 10,000,000          | 4,000,000           |
| 24/02/2021         | 0.400                   | 65,000,000          | 26,000,000          |
| 16/03/2021         | 0.400                   | 15,000,000          | 6,000,000           |
| 20/04/2021         | 0.525                   | 11,458,300          | 6,015,608           |
|                    |                         | <b>101,458,300</b>  | <b>42,015,608</b>   |

As of 30 June 2021, the abovementioned proposed Private placement has been fully completed with the total new share issued was 115,958,300 and the total proceed raised was RM47,815,608.

**8. DIVIDEND PAID**

There was no dividend paid in the current financial period under review.

**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 was no material event subsequent to the quarter and year-to-date ended 30 June 2021.



**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**
**PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING**
**11. SEGMENT INFORMATION**

Segment information is presented in respect of the Group's reportable segments which are based on the Group's management and internal reporting structure. The segmental revenue and results for the period under review are as follows:

**(a) REVENUE AND RESULT**
**(i) Current Quarter ended 30 June 2021**

|                            | External revenue<br>RM'000 | Inter segment revenue<br>RM'000 | Total revenue<br>RM'000 | Elimination<br>RM'000 | Consolidated revenue<br>RM'000 | Profit/(Loss) before tax (PBT)<br>RM'000 |
|----------------------------|----------------------------|---------------------------------|-------------------------|-----------------------|--------------------------------|--|
| Property & Construction    | 7,187                      | -                               | 7,187                   | -                     | 7,187                          | 3,382                                    |
| Printing & Publishing      | 2,044                      | 12                              | 2,056                   | (12)                  | 2,044                          | (83)                                     |
| Manufacturing              | -                          | -                               | -                       | -                     | -                              | (1,685)                                  |
| Utility & Renewable Energy | 1,361                      | -                               | 1,361                   | -                     | 1,361                          | 7  |
| Investment Holding         | -                          | 42                              | 42                      | (42)                  | -                              | (2,748)                                  |
| <b>Total</b>               | <b>10,592</b>              | <b>54</b>                       | <b>10,646</b>           | <b>(54)</b>           | <b>10,592</b>                  | <b>(1,127)</b>                           |

**(ii) Year-To-Date Ended 30 June 2021**

|                            | External revenue<br>RM'000 | Inter segment revenue<br>RM'000 | Total revenue<br>RM'000 | Elimination<br>RM'000 | Consolidated revenue<br>RM'000 | Profit/(Loss) before tax (PBT)<br>RM'000 |
|----------------------------|----------------------------|---------------------------------|-------------------------|-----------------------|--------------------------------|--|
| Property & Construction    | 13,721                     | -                               | 13,721                  | -                     | 13,721                         | 6,224                                    |
| Printing & Publishing      | 3,812                      | 12                              | 3,824                   | (12)                  | 3,812                          | (1,148)                                  |
| Manufacturing              | -                          | -                               | -                       | -                     | -                              | (2,643)                                  |
| Utility & Renewable Energy | 2,010                      | -                               | 2,010                   | -                     | 2,010                          | 100                                      |
| Investment Holding         | -                          | 77                              | 77                      | (77)                  | -                              | (3,230)                                  |
| <b>Total</b>               | <b>19,543</b>              | <b>89</b>                       | <b>19,632</b>           | <b>(89)</b>           | <b>19,543</b>                  | <b>(697)</b>                             |

**(b) ASSETS & LIABILITIES**

|                          | Property & Construction<br>RM'000 | Printing & Publishing<br>RM'000 | Manufacturing<br>RM'000 | Utility & Renewable Energy<br>RM'000 | Investment Holding<br>RM'000 | Total<br>RM'000 | Elimination<br>RM'000 | Group<br>RM'000 |
|--------------------------|-----------------------------------|---------------------------------|-------------------------|--------------------------------------|------------------------------|-----------------|-----------------------|-----------------|
| Non-Current Assets       | 28,116                            | 37,394                          | 25,566                  | 347                                  | 228,390                      | 319,813         | (240,428)             | 79,385          |
| Current Assets           | 124,627                           | 26,544                          | 12,157                  | 2,453                                | 24,274                       | 190,055         | (40,605)              | 149,450         |
| <b>Total assets</b>      | <b>152,743</b>                    | <b>63,938</b>                   | <b>37,723</b>           | <b>2,800</b>                         | <b>252,664</b>               | <b>509,868</b>  | <b>(281,033)</b>      | <b>228,835</b>  |
| Non-Current liabilities  | 49                                | 236                             | 9,530                   | 9                                    | -                            | 9,824           | -                     | 9,824           |
| Current liabilities      | 136,530                           | 51,992                          | 19,031                  | 3,491                                | 5,572                        | 216,616         | (189,987)             | 26,629          |
| <b>Total liabilities</b> | <b>136,579</b>                    | <b>52,228</b>                   | <b>28,561</b>           | <b>3,500</b>                         | <b>5,572</b>                 | <b>226,440</b>  | <b>(189,987)</b>      | <b>36,453</b>   |

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

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

**12. CONTINGENT ASSET AND LIABILITIES**

There were no changes in other contingent liabilities since the last annual audited financial statements as at 31 December 2020.

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

There were no changes in the composition of the Group for the current quarter ended 30 June 2021.

**14. CAPITAL COMMITMENTS**

Capital commitments for the purchase of property, plant and equipment not provided for in the Condensed Report at the end of the financial period under review are as follows:

|                             | <b>30.06.2021</b> | <b>31.12.2020</b> |
|-----------------------------|-------------------|-------------------|
|                             | <b>RM'000</b>     | <b>RM'000</b>     |
|                             | <b>(Reviewed)</b> | <b>(Audited)</b>  |
| <b>Capital expenditure</b>  |                   |                   |
| Approved and contracted for | 12,794            | 23,546            |

**15. RELATED PARTY TRANSACTIONS**

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter and year-to-date ended 30 June 2021.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**1. GROUP PERFORMANCE REVIEW**

|   | Individual period              |                                       |              |                | Cumulative period                   |                                       |              |                  |
|---|--------------------------------|---------------------------------------|--------------|----------------|-------------------------------------|---------------------------------------|--------------|------------------|
|   | Current quarter ended 30.06.21 | Preceding year Quarter ended 30.06.20 | Changes      |                | Current Year-to-date ended 30.06.21 | Preceding Year-to-date ended 30.06.20 | Changes      |                  |
|   | RM'000                         | RM'000                                | RM'000       | %              | RM'000                              | RM'000                                | RM'000       | %                |
| Operating Revenue                       | 10,592                         | 602                                   | 9,990        | >100           | 19,543                              | 8,365                                 | 11,178       | >100             |
| Non operating revenue                   | 228                            | 2,430                                 | -2,202       | -90.6          | 539                                 | 2,589                                 | -2,050       | -79.2            |
| <b>Total revenue</b>                    | <b>10,820</b>                  | <b>3,032</b>                          | <b>7,788</b> | <b>&gt;100</b> | <b>20,082</b>                       | <b>10,954</b>                         | <b>9,128</b> | <b>83</b>        |
| Operating expenses                      | (11,491)                       | (3,996)                               | 7,495        | >100           | (19,976)                            | (10,373)                              | 9,603        | 92.6             |
| <b>Profit from operations</b>           | <b>(671)</b>                   | <b>(964)</b>                          | <b>-293</b>  | <b>-30.4</b>   | <b>106</b>                          | <b>582</b>                            | <b>-476</b>  | <b>&gt;-81.8</b> |
| Finance income                          | 2                              | -                                     | 2            | >100           | 4                                   | 1                                     | 3            | >100             |
| Finance cost                            | (458)                          | (314)                                 | 144          | 45.9           | (807)                               | (509)                                 | 298          | 58.5             |
| <b>Profit before tax</b>                | <b>(1,127)</b>                 | <b>(1,278)</b>                        | <b>-151</b>  | <b>-11.8</b>   | <b>(697)</b>                        | <b>74</b>                             | <b>-771</b>  | <b>&gt;-100</b>  |
| Income tax expense                      | -                              | -                                     | -            | -              | -                                   | -                                     | -            | -                |
| <b>Net profit/(loss) for the period</b> | <b>(1,127)</b>                 | <b>(1,278)</b>                        | <b>-151</b>  | <b>-11.8</b>   | <b>(697)</b>                        | <b>74</b>                             | <b>-771</b>  | <b>&gt;-100</b>  |

Current quarter FY2021 ("Q2FY2021"), total operating revenue jumped to RM10.59 million which shown an increase of RM9.99 million from the revenue reported in the same quarter of the preceding year ("Q2FY2020"). The improvement in operating revenue was mainly attributable to the sale of the sub-divided land in Pekan Green Technology Park as well as stronger revenue from packing segment of the Printing & Publishing Division. Besides, new stream of operating revenue from the newly acquired subsidiary, Osmocell Sdn Bhd ("Osmocell") of the Utility & Renewable Energy division was also contributed to the Group's revenue performance for the period under review. As for the first half year FY2021, the Group's operating revenue surged by RM11.18 million to RM19.54 million from RM8.37 million recorded during the same period in preceding year 2020 which demonstrated an increase in number more than double. The Group able to close more sale of sub-divided land in GTP during the first half year 2021 due generous enquiry from the investors who are keen to invest in upstream and downstream segment of the Pulp & Paper Industry.

During the Q2FY2021, Nextgreen Global Berhad ("company") had offered 69.57 million of shares option under the Employee Share Option Scheme ("ESOS"). Out of this number, total of 19.2 million shares had been accepted by the eligible person as prescribed by the ESOS by-Law. The acceptance of the options offered had led to the recognition of cost for the issuance of ESOS amounting to RM1.97 million. However, it does not give any impact on the cash outflow to the Company and Group as it is merely an accounting treatment as per accounting standard (MFRS 2).

The higher revenue reported during the period under review had been partly offset by the recognition of ESOS issuance cost as well as an increase in finance cost on its operating lease and the professional fees related to the Phase 1A (Pulp & Paper Manufacturing Plant) which significantly impact the Group's result. Correspondingly, the Group had suffered a loss for both current quarter and year to-date ended 30 June 2021.

Despite of the Recognition of ESOS issuance cost for RM1.97 million, the Group's result had shown a reduction of losses by RM0.15 million or 11.8% to RM1.13 million for current quarter as compared to the losses reported in the same period of the preceding year. As for the first half year FY2021 Group's result, there was a negative turnaround where the Group suffered a loss of RM0.697 million as compared to the profit of RM0.07 million recorded a year ago. However, excluding the accounting treatment on the ESOS issuance cost, the Group would have recorded a significant growth with a profit after tax ("PAT") for the current quarter and first six months FY2021 at RM0.84 million and RM1.27 million respectively.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**2. OPERATING SEGMENT PERFORMANCE REVIEW**

|                            | Individual period     |                              |               |                | Cumulative period          |                              |               |                |
|----------------------------|-----------------------|------------------------------|---------------|----------------|----------------------------|------------------------------|---------------|----------------|
|                            | Current quarter ended | Preceding year Quarter ended | Changes       |                | Current Year-to-date ended | Preceding Year-to-date ended | Changes       |                |
|                            | 30.06.21              | 30.06.20                     | RM'000        | %              | 30.06.21                   | 30.06.20                     | RM'000        | %              |
|                            | RM'000                | RM'000                       | RM'000        | %              | RM'000                     | RM'000                       | RM'000        | %              |
| <b>Revenue</b>             |                       |                              |               |                |                            |                              |               |                |
| Property & Construction    | 7,187                 | -                            | 7,187         | >100           | 13,721                     | 4,915                        | 8,806         | >100           |
| Printing & Publishing      | 2,056                 | 608                          | 1,448         | >100           | 3,824                      | 3,457                        | 367           | 10.6           |
| Manufacturing              | -                     | -                            | -             | -              | -                          | -                            | -             | -              |
| Utility & Renewable Energy | 1,361                 | -                            | 1,361         | >100           | 2,010                      | -                            | 2,010         | >100           |
| Investment Holding         | 42                    | 12                           | 30            | >100           | 77                         | 69                           | 8             | 11.6           |
| <b>Total revenue</b>       | <b>10,646</b>         | <b>620</b>                   | <b>10,026</b> | <b>&gt;100</b> | <b>19,632</b>              | <b>8,441</b>                 | <b>11,191</b> | <b>&gt;100</b> |
| Inter-segment elimination  | (54)                  | (18)                         |               |                | (89)                       | (76)                         |               |                |
| <b>Group revenue</b>       | <b>10,592</b>         | <b>602</b>                   | <b>9,990</b>  | <b>&gt;100</b> | <b>19,543</b>              | <b>8,365</b>                 | <b>11,178</b> | <b>&gt;100</b> |

|                                | Individual period     |                              |             |                | Cumulative period          |                              |              |                |
|--------------------------------|-----------------------|------------------------------|-------------|----------------|----------------------------|------------------------------|--------------|----------------|
|                                | Current quarter ended | Preceding year Quarter ended | Changes     |                | Current Year-to-date ended | Preceding Year-to-date ended | Changes      |                |
|                                | 30.06.21              | 30.06.20                     | RM'000      | %              | 30.06.21                   | 30.06.20                     | RM'000       | %              |
|                                | RM'000                | RM'000                       | RM'000      | %              | RM'000                     | RM'000                       | RM'000       | %              |
| <b>Profit before tax (PBT)</b> |                       |                              |             |                |                            |                              |              |                |
| Property & Construction        | 3,382                 | (320)                        | 3,702       | >100           | 6,224                      | 2,957                        | 3,267        | >100           |
| Printing & Publishing          | (83)                  | (2,035)                      | 1,952       | -95.9          | (1,148)                    | (2,432)                      | 1,284        | -52.8          |
| Manufacturing                  | (1,685)               | (746)                        | -939        | >100           | (2,643)                    | (1,650)                      | -993         | 60.2           |
| Utility & Renewable Energy     | 7                     | -                            | 7           | >100           | 100                        | -                            | 100          | >100           |
| Investment Holding             | (2,748)               | 1,823                        | -4,571      | >-100          | (3,230)                    | 1,199                        | -4,429       | >-100          |
| <b>Total</b>                   | <b>(1,127)</b>        | <b>(1,278)</b>               | <b>-151</b> | <b>&gt;100</b> | <b>(697)</b>               | <b>74</b>                    | <b>(771)</b> | <b>&gt;100</b> |

**Property & Construction**

Operating revenue posted at RM7.19 million and RM13.72 million for Q2FY2021 and half year FY2021 respectively. The division had secured and concluded the land sale to the 3 new investors with total acreage of approximately 20 acres. The division remains strong as the top division to drive the Group's performance for first half year 2021 as shown 70.2% of the Group's revenue attributable to the division. In line with the high revenue, the division had posted RM3.38 million and RM6.22million profit before tax in both quarter under review and first half FY 2021 respectively.

As compared the preceding year quarter and YTD, the division revenue surged by RM7.19 million and RM8.81 million respectively which represents more than 100% increase. There was no revenue was reported in Q2FY2020 as the division was unable to secure and conclude the land sale during the period.

PBT is correspondingly supported by the better sale of sub-divided land within GTP. The Q2FY2021 recorded RM3.382 million profit as compared to the Q2FY2020 which was recorded at loss before tax of RM0.32 million. No revenue recorded in the preceding year quarter ended 30 June 2020 is the key factor for the loss position. PBT for the first half FY2021 jumped to RM6.22 million from profit of RM2.96 million recorded in first half year 2020.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****2. OPERATING SEGMENT PERFORMANCE REVIEW - continue****Printing & Publishing**

Revenue for Q2FY2021 was jumped by RM1.45 million (>100%) from RM0.61 million revenue recorded in Q2FY2020. As for the first half year 2021, the revenue increased by 10.6% to RM3.82 million compared to same period a year ago. The key factor driving to the result for both periods were due to combination of the below factors:

- a) Packaging printing segment increased by 45.3% in first half year 2021 compared to first half year 2020. The segment attribute 56.8% of the division's revenue for first 6 months FY 2021 (2020: 11.5%). The demand for the printing of gloves, masks and medical supplies boxes from the supplier/reseller getting stronger.
- b) Weaken in demand from commercial printing segment (book, magazine, leaflet, flyer) which shown a decrease by 44.2% (RM1.35 million). The segment was undermined by a combination of declines in volumes as well as changes in customer order patterns during the covid-19 pandemic. The sales & promotional and delivery on commercial job printing are also being restrained due to the movement control order.

Despite of high revenue for both the quarter and year to date period under review as compared to same period in preceding year, the division's bottom line result for both are remain at loss position which was RM0.08 million and RM1.15 million respectively. However, there was a positive result whereby losses for Q2FY2021 was reduced by 95.9% to RM0.83 million from RM 2.04 million recorded in Q2 last year. As for first half year 2021, the losses was declined by 52.8% to RM1.15 million from RM 2.43 million last year. As noted earlier, the better performance in revenue due to the combination of above mentioned factors alongside the reduction in direct material cost together with the saving in factory overhead such as utility and machineries maintenance of RM1.33 million are the attributable factors to the division's result.

**Manufacturing**

The division is yet to record any operating revenue from Pulp & Paper Making segment for both quarter under review and first half year 2021 as the pulp & paper manufacturing plant is yet to be completed and at the final stage. Due to MCO 3.0 taking place to contain the pandemic during the quarter under review, it has caused further delay for the completion and commissioning of the plant as the construction works at site has to be minimal.

Due to no revenue recorded and pre-operating expenses incurred for period Q2FY2021 (RM1.66 million) and first half year 2021 (RM2.58 million), the division suffered a loss in both periods. There was an increase in losses recorded in both periods where RM0.94 million in Q2FY2021 and RM0.99 million in first half year FY2021 as compared to the same period in preceding year. This was mainly due to increase in professional fee pertaining to the Phase 1A (Pulp & Paper making Plant), increase in salary & related expenses due to additional number of headcount, increase in rental expenses as new additional rented unit at HQ and increase in finance cost. (2QFY2020: 5 months) as the financing commenced in Feb 20.

The other segment such as fertiliser and animal feed remained dormant and at the planning stage.

**Utility & Renewable Energy**

The division recorded revenue of RM1.36 million and RM2.01 million for Q2FY2021 and first half year 2021 respectively. As for the result, it has recorded a Profit before tax (PBT) in both periods. The division performance was fully supported by Osmocell Malaysia Sdn Bhd which principally engages in the design, engineering and construction for water and waste water treatment system and trading its components.

As for the other segments such as Biomass and Solar Energy, they have yet to contribute any revenue and profit to the division as those segments are the upstream services to the whole GTP project which is now still at the planning and negotiating stage with relevant parties.

**Investment Holding**

The parent company is recorded a management fee charged to its subsidiary companies of RM0.04 million for the current quarter and RM0.08million for the first half year FY2021. However, any revenue derived from its subsidiaries were not given any impact to the total Group's revenue as it will be eliminated at the Group level. As noted earlier, the parent company has incurred high expenses for the current quarter under review for the ESOS issuance cost. Due to this factor, the company had recorded a loss of RM2.75 million for the current quarter and RM3.23 million for the first half tear FY2021 as compared to the prior year PBT of RM1.82 million and RM1.19 million respectively. The last year reported PBT was mainly attributable by the deposit forfeiture income which was a one-off transaction for the company.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**3. MATERIAL CHANGES IN PERFORMANCE OF CURRENT QUARTER'S RESULT AS COMPARED TO IMMEDIATE PRECEDING QUARTER**
**3A. Group Performance**

|   | Quarter 2      | Quarter 1    | Changes       |                 |
|---|----------------|--------------|---------------|-----------------|
|   | FY 2021        | FY 2021      | RM'000        | %               |
|   | RM'000         | RM'000       | RM'000        | %               |
| Operating revenue                       | 10,592         | 8,951        | 1,641         | 18.3            |
| Non operating revenue                   | 228            | 311          | -83           | -26.7           |
| <b>Total revenue</b>                    | <b>10,820</b>  | <b>9,262</b> | <b>1,558</b>  | <b>16.8</b>     |
| Operating expenses                      | (11,491)       | (8,484)      | -1,037        | -12.2           |
| Profit from operations                  | (671)          | 778          | -1,449        | >-100           |
| Finance income                          | 2              | 2            | -             | -               |
| Finance cost                            | (458)          | (349)        | -109          | 31.2            |
| <b>Profit before tax</b>                | <b>(1,127)</b> | <b>431</b>   | <b>-1,558</b> | <b>&gt;-100</b> |
| Income tax expense                      | -              | -            | -             | -               |
| <b>Net profit/(loss) for the period</b> | <b>(1,127)</b> | <b>431</b>   | <b>-1,558</b> | <b>&gt;-100</b> |

**3B. Division performance**

|                                 | Revenue       |              |              |                 | Profit before tax (PBT) |            |               |                |
|---------------------------------|---------------|--------------|--------------|-----------------|-------------------------|------------|---------------|----------------|
|                                 | Quarter 2     | Quarter 1    | Changes      |                 | Quarter 2               | Quarter 1  | Changes       |                |
|                                 | FY 2021       | FY 2021      | RM'000       | %               | FY 2021                 | FY 2021    | RM'000        | %              |
|                                 | RM'000        | RM'000       | RM'000       | %               | RM'000                  | RM'000     | RM'000        | %              |
| Property & Construction         | 7,187         | 6,534        | 653          | 10              | 3,382                   | 2,842      | 540           | 19             |
| Printing & Publishing           | 2,056         | 1,769        | 287          | 16.2            | (83)                    | (1,065)    | -982          | -92.2          |
| Manufacturing                   | -             | -            | -            | -               | (1,685)                 | (958)      | 727           | 75.9           |
| Utility & Renewable Energy      | 1,361         | 648          | 713          | >100            | 7                       | 93         | -86           | -92.5          |
| Investment Holding              | 42            | 35           | 7            | 20              | (2,748)                 | (481)      | 2,267         | >100           |
| <b>Total before elimination</b> | <b>10,646</b> | <b>8,986</b> | <b>1,660</b> | <b>&gt;18.5</b> | <b>(1,127)</b>          | <b>431</b> | <b>-1,558</b> | <b>&gt;100</b> |
| Inter-segment elimination       | (54)          | (35)         | -            | -               | -                       | -          | -             | -              |
| <b>Group's Total</b>            | <b>10,592</b> | <b>8,951</b> | <b>1,641</b> | <b>&gt;18.3</b> | <b>(1,127)</b>          | <b>431</b> | <b>-1,558</b> | <b>&gt;100</b> |

The Group recorded stronger operating revenue for current quarter under review as compared to immediate preceding quarter which shown an increase of 18.3%. However, there was negative turnaround of Group's result on a quarter-over-quarter basis due to the combination of the key positive and negative contributing factors as follows:

- The recognition of the ESOS issuance cost amounting to RM1.97 million in Quarter 2 resulting a significant increase of losses suffered by Investment holding division of RM2.267 million
- Higher revenue and lower cost of sale incurred in direct material and other factory overhead such as machinery maintenance and utilities cost in Quarter 2 resulted a reduction of losses by 92.2% for the Printing & Publishing .
- Higher professional fee (pre-opex) incurred for Phase 1A (Pulp & Paper making Plant) in Quarter 2 demonstrated an increase in losses reported for Manufacturing division.
- Higher revenue and Lower land improvement cost incurred on the land sold for Property & Construction division correspondingly resulting a higher profit recorded in Quarter 2 by 19%.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**4. COMMENTARY ON PROSPECTS**

BHS Book Printing had diverse its operational activities by offering packaging printing to the market to overcome the shortfall in commercial printing segment which now facing difficult time due to the pandemic and MCO as the customer order is declining. Packaging printing segment seemed getting stronger and the Group will continue to team up with existing industry player to explore more opportunities and expected to grow better in coming quarters.

The Group's first non-wood pulp and paper production plant is expected to be completed and start commissioning in the third quarter of 2021. The said plant will be equipped with the PRC RBMP technology, which is capable of converting EFB into non-wood pulp and paper products with minimal waste. Further, the other oil palm biomass and waste from the aforesaid manufacturing process can be converted into agro-feed and organic fertilisers. As such, the plant is expected to generate a new stream of income to the Group moving forward.

GTP was conceptualised and put forward to revolutionise the printing and publishing industry by providing a new source of eco-friendly and sustainable pulp and paper. On 29 January 2021, Nextgreen entered into the JV Agreement ("JVA") with Dengkil Paper Mill to undertake the JV Business to engage in the business of setting up and operating a 5,000 metric tons ("MT") per annum tissue paper mill in Malaysia and such other related businesses as the parties may mutually agree from time to time. On 17 August 2021, Nextgreen Enviro Sdn Bhd has been formed to formalize the JV Business and kick start the project. The JV Co is expected to augur well with the existing businesses of the Group and is expected to improve the future financial position and financial performance of the Group. The Group had also on 22 February 2021 entered into a cooperation agreement with IHI Corporation to conduct a study to evaluate the possible collaboration between the Company and IHI through contribution of their expertise in their respective trade in relation to the development of Phase 2A and Phase 2B of the GTP.

As for the Property & Construction division, the Group will continue to seek other potential investors and/or JV partners who are involved in or keen to pursue green technology and/or in any related industry to invest in GTP.

**5. PROFIT BEFORE TAX**

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

|   | Quarter Ended        |                      | Year-To-Date Ended   |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30.06.2021<br>RM'000 | 30.06.2020<br>RM'000 | 30.06.2021<br>RM'000 | 30.06.2020<br>RM'000 |
| Share option granted under ESOS               | 1,970                | -                    | 1,970                | -                    |
| Depreciation                                  | 659                  | 493                  | 1,381                | 1,318                |
| Amortisation of Right-Use-Assets              | 286                  | -                    | 493                  | -                    |
| Unrealised of loss/(gain) on foreign exchange | 19                   | (272)                | (82)                 | 146                  |
| Reversal of allowance for ECL                 | (67)                 | -                    | (82)                 | -                    |
| Gain on disposal of fixed asset               | (9)                  | -                    | (9)                  | -                    |
| Interest on lease liability                   | 32                   | -                    | 57                   | -                    |
| Interest expense                              | 426                  | 314                  | 750                  | 509                  |
| Interest income                               | (2)                  | -                    | (4)                  | (1)                  |

**6. INCOME TAX EXPENSE**

No provision for tax has been made during the Quarter 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.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**7. GROUP'S BORROWINGS AND DEBT SECURITIES**

Group has not issued any debt securities and the Group borrowings as at 30 June 2021 are as follows

|                       | <b>30.06.2021</b> | <b>31.12.2020</b> |
|-----------------------|-------------------|-------------------|
|                       | <b>RM'000</b>     | <b>RM'000</b>     |
|                       | <b>(Reviewed)</b> | <b>(Audited)</b>  |
| <b><u>Secured</u></b> |                   |                   |
| <b>NON CURRENT</b>    |                   |                   |
| Hire purchase         | 44,019            | 120,103           |
| Term loan             | 8,920,000         | 8,320,000         |
| Operating lease       | 851,274           | 298,689           |
|                       | <b>9,815,293</b>  | <b>8,738,792</b>  |
| <b>CURRENT</b>        |                   |                   |
| Hire purchase         | 198,388           | 78,989            |
| Term loan             | 4,198,978         | 3,680,000         |
| Operating lease       | 930,602           | 522,011           |
| Trade finance         | 279,815           | -                 |
| Bank overdraft        | 203,662           | -                 |
|                       | <b>5,811,445</b>  | <b>4,281,000</b>  |
| <b>Grand total</b>    | <b>15,626,738</b> | <b>13,019,792</b> |

Group's gearing ratio was stood at 0.08 time as of Year-To-Date ended 30 June 2021.

**8. PROFIT FORECAST AND PROFIT GUARANTEE**

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

**9. DIVIDENDS**

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

**10. BASIC EARNINGS/(LOSS) PER SHARE**

Basic earnings per shares calculated by dividing net profit/(loss) attributable to owners of the company and weighted average number of ordinary shares issued (excluding treasury shares) during the period under reviewed.

|  | <b>Quarter Ended</b> |                   | <b>Year-To-Date Ended</b> |                   |
|--|----------------------|-------------------|---------------------------|-------------------|
|  | <b>30.06.2021</b>    | <b>30.06.2020</b> | <b>30.06.2021</b>         | <b>30.06.2020</b> |
| (Loss)/Profit attributable to owners of the Company (RM'000) | (1,124)              | (1,278)           | (717)                     | 74                |
| Weighted average number of ordinary shares issued ('000)     | 663,354              | 526,667           | 663,354                   | 526,667           |
| <b>Basic earnings/ (loss) per share (sen)</b>                | <b>(0.17)</b>        | <b>(0.24)</b>     | <b>(0.11)</b>             | <b>0.01</b>       |

**11. GROUP MATERIAL LITIGATION**

As at 8 September 2021, being 7 days prior to the date of this report, neither the Company nor its subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant, which have the value 5% of the Group's net assets. 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.



**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021****PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****12. REVIEW BY EXTERNAL AUDITORS**

The Board had engaged the external auditors to review and report on the Condensed Report of Nextgreen Global Berhad for the quarter and year-to-date ended 30 June 2021 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The external auditors reported to the Board that nothing had come to their attention to cause them to believe that the Condensed Report was not prepared, in all material respects, in accordance with the MFRS 134 Interim Financial Reporting and IAS 34 Interim Financial Reporting. The report was made to the Board in accordance with the terms of the engagement letter with the external auditors and for no other purpose.

**13. AUTHORISATION TO ISSUE**

The Condensed Report were authorised for release by the Board of Directors as per Board of Directors Meeting held on 15 September 2021.