



NEXTGREEN GLOBAL BERHAD

[Registration No. 200501037512 (719660-W)]

**Condensed Consolidated Financial Statements
For The Quarter and Year-To-Date Ended 31 December 2021**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021

	Individual period			Cumulative period		
	31.12.2021	31.12.2020	Changes	31.12.2021	31.12.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
	(reviewed)	(reviewed)		(reviewed)	(reviewed)	
Operating revenue	14,297	7,446	92%	51,299	32,276	59%
Non operating revenue	9,667	369	>100%	10,477	3,211	>100%
Total revenue	23,964	7,815	>100%	61,776	35,487	74%
Operating expenses	(14,307)	(8,870)	63%	(50,135)	(30,046)	68%
Profit from operations	9,657	(1,055)	>100%	11,642	5,441	>100%
Finance income	-	-		7	2	>100%
Finance cost	(427)	(501)	-15%	(1,696)	(1,264)	34%
Profit before tax	9,230	(1,556)	>100%	9,953	4,179	>100%
Income tax expense	(17)	(11)	-82%	(17)	(11)	-82%
Net profit for the period	9,213	(1,567)	>100%	9,936	4,168	>100%
Net profit for the period attributable to:						
Owners of the Company	9,188	(1,505)	>100%	9,997	4,230	>100%
Non-controlling interest	25	(62)	-	(61)	(62)	-
Net profit for the period	9,213	(1,567)	>100%	9,936	4,168	>100%

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

	Individual period			Cumulative period		
	31.12.2021	31.12.2020	Changes	31.12.2021	31.12.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
	(reviewed)	(reviewed)		(reviewed)	(reviewed)	
Net profit for the period	9,213	(1,567)	>100%	9,936	4,168	>100%
Other comprehensive income/ (loss):						
Gain/(loss) on currency translation	(17)	(230)	-	264	(123)	-
Total comprehensive income for the period	9,196	(1,797)	>100%	10,200	4,045	>100%
Total comprehensive income for the period attributable to:						
Owners of the Company	9,171	(1,735)	>100%	10,261	4,107	>100%
Non-controlling interest	25	(62)	>100%	(61)	(62)	0%
Total comprehensive income for the period	9,196	(1,797)	>100%	10,200	4,045	>100%

	Individual period		Cumulative period	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Sen per share	Sen per share	Sen per share	Sen per share
	(reviewed)	(reviewed)	(reviewed)	(audited)
Earnings/ (loss) per share attributable to the owners of the company*				
- Basic	1.32	(0.27)	1.44	0.77
- Diluted	1.26	N/A	1.37	N/A

*Part B, note no:9

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 31 DECEMBER 2021

	As at 31.12.2021 RM Reviewed	As at 31.12.2020 RM Audited
Non current assets		
Property, plant and equipment	103,969,298	69,265,556
Intangible assets	1,050,000	1,050,000
Goodwill	469,679	-
Right-use-of assets	1,591,548	801,028
Other investments	22,688	22,227
Inventories	6,571,741	6,338,219
Deferred tax assets	125,620	136,807
Non current assets	113,800,574	77,613,837
Current assets		
Inventories	111,324,068	70,449,952
Trade receivables	22,464,089	12,852,102
Other receivables, deposits and prepayments	30,973,121	12,796,460
Tax recoverable	231,299	173,918
Fixed deposit with a licensed bank	36,889	-
Cash and bank balances	7,986,085	1,205,116
Current assets	173,015,551	97,477,548
Total assets	286,816,125	175,091,385
Equity		
Share capital	253,069,630	171,566,160
Redeemable convertible preference share	10,000,000	-
Reserve	(14,722,828)	(32,076,279)
Equity attributable to owners of the Company	248,346,802	139,489,881
Non-controlling interest	(218,244)	(61,507)
Total equity	248,128,558	139,428,374
Non current liabilities		
Hire purchase liabilities	215,657	120,103
Lease liabilities	250,292	298,689
Borrowings	681,718	8,320,000
Non current liabilities	1,147,667	8,738,792
Current liabilities		
Trade payables	15,597,386	9,382,968
Other payables and accruals	9,080,807	13,258,478
Hire purchase liabilities	68,105	78,989
Borrowings	11,394,858	3,680,000
Lease liabilities	1,398,427	522,011
Tax payable	317	1,773
Bank overdraft	-	-
Current liabilities	37,539,900	26,924,219
Total liabilities	38,687,567	35,663,011
Total equity and liabilities	286,816,125	175,091,385
Net Asset per share (RM)	0.34	0.23

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 31 DECEMBER 2021

	Share capital	RCPS	Foreign currency translation reserve	Merger reserve	Share option reserve	Warrant reserve	Retained profit/ (loss)	Equity attributable to owners of the Company	Non-controlling interest	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 Jan 2021 (Audited)	171,566,160	-	(337,135)	(16,832,846)	-	-	(14,906,298)	139,489,881	(61,507)	139,428,374
Comprehensive income:										
Profit for period	-	-	-	-	-	-	9,996,817	9,996,817	(60,566)	9,936,251
Other comprehensive income	-	-	263,570	-	-	-	-	263,570	-	263,570
Total comprehensive income	-	-	263,570	-	-	-	9,996,817	10,260,387	(60,566)	10,199,821
Transactions with owners:										
Acquisition of subsidiary	-	-	-	-	-	-	(44,817)	(44,817)	(96,171)	(140,988)
Issue of shares via private placements	62,122,255	-	-	-	-	-	-	62,122,255	-	62,122,255
Issue of share via ESOS	20,229,000	-	-	-	-	-	-	20,229,000	-	20,229,000
Issuance of new RCPS	-	10,000,000	-	-	-	-	-	10,000,000	-	10,000,000
Share option granted	-	-	-	-	-	3,364,254	3,773,628	7,137,882	-	7,137,882
Share issue expenses	(847,785)	-	-	-	-	-	-	(847,785)	-	(847,785)
Total transactions with owners	81,503,470	10,000,000	-	-	-	3,364,254	3,728,811	98,596,535	(96,171)	98,500,364
At 31 December 2021 (reviewed)	253,069,630	10,000,000	(73,565)	(16,832,846)	-	3,364,254	(1,180,671)	248,346,802	(218,244)	248,128,558
At 1 Jan 2020 (Audited)	135,678,442	-	(214,076)	(16,832,846)	-	16,854,684	(35,989,593)	99,496,611	30	99,496,641
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
Transactions with owners:										
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
At 31 December 2020 (Audited)	171,566,160	-	(337,135)	(16,832,846)	-	-	(14,906,298)	139,489,881	(61,507)	139,428,374

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
31 DECEMBER 2021**

	31.12.2021 RM'000 (Reviewed)	31.12.2020 RM'000 (Reviewed)
Cash flows used in operating activities		
Profit before tax	9,953	4,179
Adjustment for:		
Share option granted under ESOS	7,138	-
Reversal of impairment on PPE	(9,517)	-
Depreciation expense	2,753	2,575
Amortisation of Right-use-of asset	1,416	659
Allowance for Expected Credit Loss	2,038	1,396
Reversal of allowance for Expected Credit Loss (ECL)	(112)	(48)
Unrealised gain on foreign exchange	(90)	(33)
Gain on disposal of plant & equipment	(133)	(181)
Plant & equipment write off	-	17
Write-down inventory value	-	8
Fair value on other investment	(0)	(10)
Dividend income	-	(1)
Interest expense of operating lease	112	62
Interest expenses on bank borrowing	1,583	1,202
Interest income	(7)	(2)
Operating profit before working capital changes	15,135	9,823
Increase in inventories	(39,609)	(28,375)
Increase in trade and other receivables	(20,813)	(4,247)
Decrease in trade and other payables	88	(3,369)
Cash used for operations	(45,198)	(26,168)
Income tax refund	(35)	1,136
Income tax paid	-	(3)
Net cash used in operating activities	(45,233)	(25,035)
Cash flows used in investing activities		
Addition of property, plant & equipment	(27,753)	(14,850)
Payment intangible asset	-	(550)
Proceeds from disposal of plant & equipment	197	320
Deposit paid for purchase of plant & equipment	(7,617)	(600)
Proceed from fixed deposit withdrawal	92	55
Acquisition of subsidiary, net cash acquired	(329)	-
Dividend received	-	1
Interest received	7	2
Net cash used in investing activities	(35,403)	(15,622)
Cash flows from financing activities		
Proceed from:		
-Term loan	600	6,900
-Private placement of share, net off share issuance cost	61,274	35,888
-Issuance of share under ESOS	20,229	-
-Issuance of RCPS	10,000	-
Repayment of:		
-Trade finance	-	(168)
-Term loan	(1,789)	-
-Hire purchase liabilities	(86)	(159)
-Lease liability	-	(639)
-Interest on lease liability	(112)	(62)
-Interest paid	(1,583)	(1,202)
Net cash flow from financing activities	87,154	40,558

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

	31.12.2021 RM'000	31.12.2020 RM'000
	(Reviewed)	(Reviewed)
Net increase in cash and cash equivalents	6,517	(99)
Cash and cash equivalents at beginning of year	1,205	1,423
Effect of exchange rate changes	264	(119)
Cash and cash equivalents at end of period	7,986	1,205
Cash and cash equivalents at end of period comprise of:		
Cash and cash equivalents comprise of:		
Cash and bank balances	7,986	1,205
Fixed deposits*	37	-
	8,023	1,205
*Fixed deposit pledged with licensed bank	(37)	-
Cash and cash equivalents at end of period	7,986	1,205

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 31 DECEMBER 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 31 DECEMBER 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. CHANGES IN 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 for the following:

- a) During the quarter under reviewed, a total of 28,430,000 new ordinary shares were issued pursuant to the exercise of the ESOS and a total 7,222,000 new ordinary shares were issues pursuant to the Private Placement.
- b) During the year ended 31 December 2021, a total 168,652,000 unit of new share were issued which comprises of 36,780,000 unit pursuant to ESOS and 131,872,000 unit pursuant to Private Placement.

Details of the issued and paid-up capital of the Company as at 31 December 2021 are as follows:

	Current quarter ended 31 December 2021		Year to-date ended 31 December 2021	
	No of shares	Paid up (RM)	No of shares	Paid up (RM)
Beginning of period	727,291,718	230,601,250	594,291,718	171,566,160
New of shares issued pursuant to ESOS	28,430,00	15,636,500	36,780,000	20,229,000
New shares issued pursuant to Private Placement	7,222,000	6,968,212	131,872,000	61,274,470
End of period	762,943,718	256,856,380	762,943,718	253,069,630

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 were no significant subsequent events after the end of the interim period to the date of this announcement, which will materially affect the earnings or income of the Group.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING
11. SEGMENTAL REPORTING
(a) Revenue and result
i) Current Quarter ended 31 December 2021

	External revenue RM'000	Inter segment revenue RM'000	Total revenue RM'000	Elimination RM'000	Consolidated revenue RM'000	Profit/(Loss) before tax (PBT) RM'000
Property & Construction	8,712	55,671	64,383	(55,671)	8,712	15,373
Printing & Publishing	2,914	322	3,236	(322)	2,914	(2,552)
Manufacturing	-	-	-	-	-	(2,309)
Utility & Renewable Energy	2,671	113	2,784	(113)	2,671	97
Investment Holding	-	65	65	(65)	-	(1,379)
Total	14,297	56,171	70,468	(56,171)	14,297	9,230

ii) Year-To-Date Ended 31 December 2021

	External revenue RM'000	Inter segment revenue RM'000	Total revenue RM'000	Elimination RM'000	Consolidated revenue RM'000	Profit/(Loss) before tax (PBT) RM'000
Property & Construction	37,728	55,671	93,399	(55,671)	37,720	29,641
Printing & Publishing	8,222	1,003	9,225	(1,003)	8,222	(3,224)
Manufacturing	-	-	-	-	-	(5,913)
Utility & Renewable Energy	5,349	151	5,500	(151)	5,349	(145)
Investment Holding	-	185	185	(185)	-	(10,406)
Total	51,299	57,010	108,310	(57,011)	51,299	9,953

(b) Assets & liabilities as at 31 December 2021

	Non current assets RM'000	Current assets RM'000	Total assets RM'000	Non current liabilities RM'000	Current liabilities RM'000	Total liabilities RM'000
Property & Construction	7,718	202,012	209,730	109	167,693	167,802
Printing & Publishing	30,124	32,117	62,240	-	53,484	53,484
Manufacturing	77,592	20,727	98,319	245	92,193	92,438
Utility & Renewable Energy	912	-	-	793	4,581	5,375
Investment Holding	94,643	195,779	290,422	-	5,521	5,521
	210,988	454,672	665,660	1,148	323,473	324,620
Elimination	(97,187)	(281,656)	(378,844)	-	(285,933)	(285,932)
Consolidated	113,801	173,016	286,816	1,148	37,540	38,688

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 31 December 2021.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING****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:

	31.12.2021	31.12.2020
	RM'000	RM'000
	(Reviewed)	(Audited)
Capital expenditure		
Approved and contracted for	15,887	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 31 December 2021.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 DECEMBER 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	Preceding year quarter ended	Changes		Current Year-to-date ended	Preceding Year-to-date ended	Changes	
	31.12.21	31.12.20	RM'000	%	31.12.21	31.12.20	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Operating Revenue	14,297	7,446	6,851	92%	51,299	32,276	19,023	59%
Non operating revenue	9,667	369	9,297	>100%	10,477	3,211	7,266	>100%
Total revenue	23,964	7,815	23,955	>100%	61,776	35,487	26,289	74%
Operating expenses	(14,307)	(8,870)	-5,411	61%	(50,135)	(30,046)	-20,063	68%
Profit from operations	9,657	(1,055)	10,712	>100%	11,642	5,441	6,201	>100%
Finance income	-	-	-	-	7	2	5	>100%
Finance cost	(427)	(501)	74	-15%	(1,696)	(1,264)	-432	34%
Profit before tax	9,230	(1,556)	10,786	>100%	9,953	4,179	5,774	>100%
Income tax expense	(17)	(11)	6	-82%	(17)	(11)	6	-82%
Net profit for the period	9,213	(1,567)	10,780	>100%	9,936	4,168	5,768	>100%

Q4FY2021 VS Q4FY2020

Operating revenue increased by 92% to RM14.30 million from RM7.45 million posted in same period in FY2020. Besides, the non-operation revenue jumped to RM9.67 million and the group total top-line (operating & non-operating revenue) increased surged RM23.96 million on y-o-y basis. The key driver factors were mainly attributable to the higher sale of sub-divided land in Green Technology Park as well as reversal on impairment which has been incurred in FYE2019. In line with the higher revenue, the Group result for the current quarter under review has recorded a positive turnaround from losses of RM1.56 million a year ago. Despite of higher revenue and profit, as compared to same period in preceding year, the Group profit has been partly offset the high operating expenses which shown an increase of 61% which attributable to the increased of pre-operating expenses of the Manufacturing division as well as increased in impairment losses of trade and other receivables.

CURRENT YEAR-TO-DATE VS PRECEDING YEAR-TO-DATE

Operating revenue surged by 59% (RM19.0 million) to RM51.3 million, as compared to same period in preceding year. The growth in operating revenue was mainly attributable to the sale of the sub-divided land in Green Technology Park ("GTP") as well as contribution from the newly acquired subsidiary, Osmocell Sdn Bhd ("Osmocell").

In spite of strong revenue reported for the current year-to-date FY2021, the Group had posted higher profit by RM5.56 million to RM9.94 million as compared to the profit recorded of RM4.168 million in same period last year. In spite of RM26.29 million increased in top-line, the profit for 2021 was partly offset by the combination of the following factors:

- Increased in operating expenses which particularly attributable to the recognition of ESOS issuance cost of RM7.13 million.
- Increased in pre-operating expenses (professional fee, loan facility fee) incurred by manufacturing division as the manufacturing plant at final stage of preparation for trail run and commercialisation.
- Recognition of Expected Credit Loss on Trade and Other receivables as well as credit impairment on oversea customer totaling RM2.04 million.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
2. OPERATING SEGMENT PERFORMANCE REVIEW
2A. REVENUE

	Individual period				Cumulative period			
	Current quarter ended 31.12.21	Preceding year Quarter ended 31.12.20	Changes		Current Year-to-date ended 31.12.21	Preceding Year-to-date ended 31.12.20	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Property & Construction	64,383	4,067	60,316	>100%	93,399	23,310	70,089	>100%
Printing & Publishing	3,236	3,539	-303	-9%	9,225	9,932	-707	-7%
Manufacturing	-	-	-	-	-	-	-	-
Utility & Renewable Energy	2,784	-	-	-	5,500	-	-	-
Investment Holding	65	74	-9	-12%	185	203	-18	-9%
Total revenue	70,468	7,680	62,788	>100%	108,310	33,445	74,865	>100%
Inter-segment elimination	(56,171)	(234)	-	-	(57,011)	(1,169)	-	-
Group revenue	14,297	7,446	6,851	92%	51,299	32,276	19,023	59%

Property & Construction

Operating revenue posted at RM64.38 million for Q4FY2021 and RM93.4 million for cumulative quarter FY2021 which shown an increase more than double. Higher revenue was derived from sister company of RM55.7 million. Exclude this revenue, the division still recorded higher revenue (net of inter segment) for both periods, RM8.7 million and RM37.7 million respectively. Bigger land size and higher selling price were the main factor driven to the division better result for as compared to same period in preceding year. The division remains strong to drive the Group's revenue for the reporting period FY2021 which shown 73.5% of the YTD Group's revenue derived from this division.

Printing & Publishing

Revenue for the current quarter declined by 9% as compared to the same period last year. The lower revenue in current quarter was mainly due to weaken demand for both commercial. However, the box & packaging segment shown a positive growth due to the continuous demand from reseller of consumer products. The revenue from commercial printing remains resilient in spite of growing in digital printing. He combination of those factor during the year, the overall revenue from printing division shown a decreased of 7% as compared to the same period a year ago.

Manufacturing

The division is yet to record any operating revenue from Pulp & Paper Making segment for both period under review in FY2021 as the pulp & paper manufacturing plant is yet in operation.

Utility & Renewable Energy

The division has recorded revenue of RM2.8 million and RM5.5 million for both period under reviewed. There was no comparative figure available against the preceding year as it was solely attributable to the newly acquired subsidiary in FY2021

Investment Holding

The revenue for the parent was derived from management fee charged to its subsidiary companies. 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.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
3. OPERATING SEGMENT PERFORMANCE REVIEW – continue
2B. PROFIT / (LOSS) BEFORE TAX (PBT)

	Individual period				Cumulative period			
	Current	Preceding			Current	Preceding		
	quarter	year			Year-to-	Year-to-		
	ended	Quarter			date	date		
	31.12.21	ended	Changes		ended	ended	Changes	
	RM'000	31.12.20	RM'000	RM'000	31.12.21	31.12.20	RM'000	%
Property & Construction	15,373	2,081	13,292	>100%	29,641	12,463	17,825	>100%
Printing & Publishing	(2,552)	(2,032)	520	24%	(3,224)	(4,844)	1,620	33%
Manufacturing	(2,309)	(1,277)	(1,032)	81%	(5,913)	(3,756)	(2,157)	57%
Utility & Renewable Energy	97	-	-		(145)	-	-	
Investment Holding	(1,379)	(1,768)	389	-22%	(10,406)	(1,115)	(9,291)	>100%
Total	9,230	(1,556)	10,610	>100%	9,953	4,179	5,554	>100%

Property & Construction

In line with the higher revenue and recovery of RM9.6 million impairment of PPE, the division had posted a profit of RM15.4 million and RM30.3 for both period under review respectively. As noted earlier, bigger acreage of sub-divided land sold and higher selling price are the key factors for the higher profit recorded as compared to the same period on year-over-year basis.

Printing & Publishing

The division results are remained at loss position for both current quarter and cumulative period FY2021 due to the lower revenue from commercial printing in spite of better growth for the box & packaging segment. However, the losses were partly offset by the saving in direct material (paper) cost by utilizing the existing stock. Besides, box & packaging printing segment contribute better profit margin compared to the commercial printing. Some saving in factory overhead such as utilities, depreciation, indirect direct labor and upkeep of plant & machineries during the year resulting the division losses was decreased by 33% in FY2021 or RM1.62 million as compared to y-o-y basis.

Manufacturing

As a result, from no revenue recorded and higher operating expenses incurred, division recorded pre-operating loss in both periods. There was an increase in losses recorded as compared to the same period in preceding year. It was mainly due to significant increase in professional fee pertaining to the Phase 1A, increase in salary & related expenses due to additional number of headcounts, increased in amortization of right-use-asset ("ROU") and lease interest on its new operating lease as well as increased in term loan interest, (3QFY2020: 8 months) as the interest commenced in Feb 20. The other segment such as fertilizer and animal feed production are still at the planning stage.

Utility & Renewable Energy

The division was recorded slight profit during the quarter under reviewed, as for the 12-month period, the division recorded loss of RM0.15 million. The bottom-line result from the segment attributable to Osmocell Malaysia Sdn Bhd which principally engage in water and waste water treatment. The other segments such as Biomass and Solar Energy yet to contribute any 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

As noted earlier, the parent company has incurred high expenses for both period under reviewed due to the recognition of ESOS issuance cost of RM7.14 million.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
4. MATERIAL CHANGES IN PROFIT BEFORE TAX
3A. Group Performance

	Quarter 4	Quarter 3	Changes	
	FY 2021	FY 2021	RM'000	%
	RM'000	RM'000	RM'000	%
Operating revenue	14,297	17,459	(3,162)	-18%
Non operating revenue	9,667	272	9,394	>100%
Total revenue	23,964	17,731	6,232	35%
Operating expenses	(14,307)	(15,943)	1,636	-10%
Profit from operations	9,657	1,788	7,694	>100%
Finance income	-	3		
Finance cost	(427)	(462)	35	-8%
Profit before tax	9,230	1,329	7,901	>100%
Income tax expense	(17)	-		
Net profit/(loss) for the period	9,213	1,329	7,884	>100%

3B. Division performance

	Revenue				Profit before tax (PBT)			
	Quarter 4	Quarter 3	Changes		Quarter 4	Quarter 3	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	64,383	15,295	49,088	>100%	15,373	8,659	21,629	>100%
Printing & Publishing	3,236	2,168	1,068	49%	(2,552)	(226)	(2,326)	>-100%
Manufacturing	-	-	-	-	(2,309)	(963)	-	-
Utility & Renewable Energy	2,784	706	2,078	>100%	97	(343)	198	-58%
Investment Holding	65	44	21	48%	(1,379)	(5,798)	(4,608)	79%
Total before elimination	70,468	18,210	52,258	>100%	9,230	1,329	7,901	>100%
Inter-segment elimination	(56,171)	(751)	-	-	--	-	-	-
Group's Total	14,297	17,459	(3,162)	-18%	9,230	1,329	7,901	>100%

Material changes in profit before tax

- Lesser sub-divided land sold in current quarter for property & construction division.
- Revenue attributed to Utility & Renewable Energy increased by RM2.08 million. Progress at site able to meet the billing milestone.
- Reversal of the impairment of PPE by property & construction division.
- Recognition of the impairment losses on trade receivable in Printing & Publishing division

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
5. COMMENTARY ON PROSPECTS

Printing & Publishing division is looking forward to resume sales & promotional activities as well as to complete the delivery which previously was on hold during the MCO to mitigate the shortcoming in the during in FY2021. Notwithstanding a challenging year, the Board expects a profitable year for 2021.

The Group is looking forward positively on the commercialization first **Non-Wood Pulp & Paper Manufacturing Plant** which expected to start operation in Q2Y2022. Currently, the plant is at the final stage of the preparation to kick start end to end the trial run which has been scheduled in March 2022. The group is also looking forward to commence the construction work for **Fertilizer and Tissue Paper Production Plant** in coming financial year 2022.

Property & construction is continuously promoting the Green Technology Park to local and foreign industry player/ investor who are keen for new investment or business expansion in green technology.

Utility and Renewable Energy division is also looking forward to resume the activities to overcome the shortcoming during the year and expected to be able to meet the progress milestones which has been on hold during the MCO.

6. PROFIT BEFORE TAX

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

	Year-To-Date Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
	(reviewed)	(reviewed)
Share option granted under ESOS	7,138	-
Reversal of impairment on PPE	(9,517)	
Depreciation expense	2,753	2,575
Amortisation of Right-use-of asset	1,416	659
Allowance for Expected Credit Loss	2,038	1,396
Reversal of allowance for Expected Credit Loss (ECL)	(112)	(48)
Unrealised gain on foreign exchange	(90)	(33)
Gain on disposal of plant & equipment	(133)	(181)
Plant & equipment write off	-	17
Write-down inventory value	-	8
Fair value on other investment	(0)	(10)
Dividend income	-	(1)
Interest expense of operating lease	112	62
Interest expenses on bank borrowing	1,583	1,202
Interest income	(7)	(2)

7. INCOME TAX EXPENSES

	Year-To-Date Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
	(reviewed)	(reviewed)
Tax expenses recognised in profit or loss:		
Current tax under ITA 1967	-	-
Deferred Tax	(17)	(11)
Income tax expenses for the year	(2)	(11)

Deferred tax is in respect of tax effect from on intragroup profit derived from sale of Property, plant & equipment.

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 31 DECEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
8. GROUP'S BORROWINGS AND DEBT SECURITIES

Group has not issued any debt securities and the Group borrowings as at 31 December 2021 are as follows

	31.12.2021	31.12.2020
	(reviewed)	(Audited)
<u>Secured – Denomination in Malaysia Ringgit (RM)</u>		
NON-CURRENT		
Hire purchase	215,657	120,103
Term loan	250,292	8,320,000
Operating lease	681,718	298,689
	1,147,667	8,738,792
CURRENT		
Hire purchase	68,105	78,989
Term loan	11,394,858	3,680,000
Operating lease	1,398,427	522,011
	12,861,390	4,281,000
Grand total	14,009,057	13,019,792

Group's gearing ratio was stood at 0.06 times as of Year-To-Date ended 31 December 2021.

9. EARNINGS/ (LOSS) PER SHARE
a) Basic

Basic earnings per share is calculated by dividing net of tax profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the financial period under reviewed, excluding treasury shares held by the Company.

	Quarter Ended		Year-To-Date Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	(reviewed)	(reviewed)	(reviewed)	(audited)
Profit attributable to owners of the Company (RM'000)	9,188	(1,505)	9,997	4,229
Weighted average number of ordinary shares issued ('000)	696,619	548,792	696,619	546,210
Basic earnings/ (loss) per share (sen)	1.32	(0.27)	1.44	0.77

b) Diluted

Diluted earnings per share is calculated by net of tax profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the financial period under reviewed plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	31.12.2021	31.12.2021
	(reviewed)	(reviewed)
Profit attributable to owners of the Company (RM'000)	9,188	9,997
Weighted average number of ordinary shares issued ('000)	696,619	696,619
<i>Effect of dilution from:</i>		
Assumed exercise of ESOS ('000)	32,790	32,790
Assumed exercise of RCPS ('000)	200,000	200,000
Diluted earnings per share (sen)	1.31	1.44

As at 31 December 2020, the diluted earnings per share of the Company is equal to the basic earnings per share as the Group does not have any dilutive potential ordinary share in issue.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****10. PROFIT FORECAST AND PROFIT GUARANTEE**

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

11. DIVIDENDS

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

12. GROUP MATERIAL LITIGATION

As at 17 February 2022, 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.

13. AUTHORISATION TO ISSUE

The Condensed Report were authorised for release by the Board of Directors as per Board of Directors Meeting held on 24 February 2021.