



NEXTGREEN GLOBAL BERHAD

[Registration No. 200501037512 (719660-W)]

**Condensed Consolidated Financial Statements
For The Quarter and Year-To-Date Ended 31 March 2022**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2022

	Quarter and Year-To-Date Ended		
	31.03.2022 RM'000 (reviewed)	31.03.2021 RM'000 (reviewed)	Changes %
Operating revenue	8,815	8,951	-2%
Non operating revenue	1,155	311	271%
Total revenue	9,970	9,262	8%
Operating expenses	(8,582)	(8,484)	1%
Profit from operations	1,388	778	78%
Finance income	0	2	-100%
Finance cost	(351)	(349)	1%
Profit before tax	1,037	431	141%
Income tax expense	-	-	-
Net profit for the period	1,037	431	141%
Net profit for the period attributable to:			
Owners of the Company	1,036	408	141%
Non-controlling interest	1	23	-
Net profit for the period	1,037	431	141%

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2022

	Quarter and Year-To-Date Ended		
	31.03.2022 RM'000 (reviewed)	31.03.2021 RM'000 (reviewed)	Changes %
Net profit for the period	1,036	431	141%
Other comprehensive income/ (loss):			
Gain/(loss) on currency translation	65	213	-
Total comprehensive income for the period	1,102	644	71%
Total comprehensive income for the period attributable to:			
Owners of the Company	1,101	621	77%
Non-controlling interest	1	23	0%
Total comprehensive income for the period	1,102	644	71%

	Quarter and Year-To-Date Ended	
	31.03.2022 Sen per share (reviewed)	31.03.2021 Sen per share (reviewed)
Earnings/ (loss) per share attributable to the owners of the company*		
- Basic	0.13	0.06
- Diluted	0.12	0.06

*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 2021 and the accompanying notes to the Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	As at 31.03.2022 RM Reviewed	As at 31.12.2021 RM Audited
Non current assets		
Property, plant and equipment	103,784,597	103,950,439
Intangible assets	1,050,000	1,050,000
Goodwill	498,365	498,365
Right-use-of assets	1,321,397	1,608,249
Other investments	22,688	22,688
Inventories	119,847,025	119,784,700
Deferred tax assets	125,620	125,620
Non current assets	226,649,692	227,040,061
Current assets		
Inventories	12,052,716	6,508,978
Trade receivables	25,742,174	22,439,488
Other receivables, deposits and prepayments	34,690,130	31,271,538
Tax recoverable	179,236	231,299
Fixed deposit with a licensed bank	37,479	36,889
Cash and bank balances	7,928,288	7,982,501
Current assets	80,651,444	68,470,693
Total assets	307,301,136	295,510,754
Equity		
Share capital	256,856,380	253,069,630
Redeemable convertible preference share	10,000,000	10,000,000
Reserve	(13,691,361)	(14,791,957)
Equity attributable to owners of the Company	253,165,021	248,277,673
Non-controlling interest	(214,497)	(215,544)
Total equity	252,950,524	248,062,129
Non current liabilities		
Hire purchase liabilities	442,210	202,171
Borrowings	11,508,818	581,081
Lease liabilities	581,081	659,403
Non current liabilities	12,532,108	1,442,655
Current liabilities		
Trade payables	21,057,952	15,661,720
Other payables and accruals	9,307,004	17,759,042
Hire purchase liabilities	69,563	81,591
Borrowings	10,342,762	11,417,173
Lease liabilities	876,846	1,086,127
Tax payable	317	317
Bank overdraft	164,061	-
Current liabilities	41,818,505	46,005,970
Total liabilities	54,350,613	47,448,625
Total equity and liabilities	307,301,136	295,510,754
Net Asset per share (RM)	0.33	0.34

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 2021 and the accompanying notes to the Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 31 MARCH 2022

	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 2022 (Audited)	253,069,630	10,000,000	(92,447)	(16,832,846)	3,364,254	-	(1,230,918)	248,277,673	(215,544)	248,062,129
Comprehensive income:										
Profit for period	-	-	-	-	-	-	1,036,043	1,036,043	1,047	1,037,090
Other comprehensive income	-	-	64,555	-	-	-	-	64,555	-	64,555
Total comprehensive income	-	-	64,555	-	-	-	1,036,043	1,100,598	1,047	1,101,645
Transactions with owners:										
Issue of share via ESOS	3,786,750	-	-	-	(706,401)	-	706,401	3,786,750	-	3,786,750
Total transactions with owners	3,786,750	-	-	-	(706,401)	-	706,401	3,786,750	-	3,786,750
At 31 March 2022 (reviewed)	256,856,380	10,000,000	(27,892)	(16,832,846)	2,657,853	-	511,526	253,165,021	(214,498)	252,950,524
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	-	-	-	-	-	-	9,901,752	9,901,752	(80,656)	9,821,096
Other comprehensive income	-	-	244,688	-	-	-	-	244,688	-	244,688
Total comprehensive income	-	-	244,688	-	-	-	9,901,752	10,146,440	(80,656)	10,065,784
Transactions with owners:										
Acquisition of subsidiary	-	-	-	-	-	-	-	(73,381)	(73,381)	(73,381)
Issue of shares via private placements	61,776,382	-	-	-	-	-	-	61,776,382	-	61,776,382
Issue of share via ESOS	20,229,000	-	-	-	-	(3,773,628)	3,773,628	20,229,000	-	20,229,000
Issuance of new RCPS	-	10,000,000	-	-	-	-	-	10,000,000	-	10,000,000
Share-based payment	-	-	-	-	-	7,137,882	-	7,137,882	-	7,137,882
Share issue expenses	(501,912)	-	-	-	-	-	-	(501,912)	-	(501,912)
Total transactions with owners	81,503,470	10,000,000	-	-	-	3,364,254	3,773,628	98,641,352	(73,381)	98,567,971
At 31 December 2021 (reviewed)	253,069,630	10,000,000	(92,447)	(16,832,846)	3,364,254	-	(1,230,918)	248,277,673	(215,544)	248,062,129

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 2021 and the accompanying notes to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR TO DATE ENDED
31 MARCH 2022**

	31.03.2022 RM'000	31.03.2021 RM'000
	(Reviewed)	(Reviewed)
Cash flows used in operating activities		
Profit before tax	1,037	431
Adjustment for:		
Depreciation expense	673	722
Amortisation of Right-use-of asset	287	207
Reversal of allowance for Expected Credit Loss (ECL)	-	(15)
Unrealised gain on foreign exchange	-	(33)
Interest expense of operating lease	31	25
Interest expenses on bank borrowing	299	324
Interest income	(1)	(2)
Operating profit before working capital changes	2,326	1,591
Increase in inventories	(14,004)	(15,378)
Increase in trade and other receivables	(6,743)	(13,291)
Increase /(Decrease) in trade and other payables	5,342	(5,397)
Cash used for operations	(13,079)	(32,475)
Income tax refund	52	-
Income tax paid	-	(10)
Net cash used in operating activities	(13,027)	(32,485)
Cash flows used in investing activities		
Addition of property, plant & equipment	(267)	(420)
Acquisition of subsidiary, net cash acquired	-	(329)
Interest received	1	2
Net cash used in investing activities	(266)	(747)
Cash flows from financing activities		
Proceed from:		
-Term loan	10,849	600
-Private placement of share, net off share issuance cost	-	36,000
-Issuance of share under ESOS	3,787	-
Repayment of:		
-Term loan	(1,074)	-
-Hire purchase liabilities	(12)	(211)
-Lease liability	(209)	(208)
-Interest on lease liability	(31)	(25)
-Interest paid	(299)	(324)
Net cash flow from financing activities	13,011	35,800
Net (decrease)/ increase in cash and cash equivalents	(283)	2,568
Cash and cash equivalents at beginning of year	7,983	1,205
Effect of exchange rate changes	65	213
Cash and cash equivalents at end of period	7,764	3,986
Cash and cash equivalents at end of period comprise of:		
Cash and bank balances	7,928	4,194
Fixed deposits*	37	129
Bank overdraft	(164)	(208)
	7,802	4,115
*Fixed deposit pledged with licensed bank	(37)	(129)
Cash and cash equivalents at end of period	7,764	3,986

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 2021 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
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 2021. 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 2021.

2. SIGNIFICANT ACCOUNT POLICY

The significant accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 31 December 2021 except for the newly-issued Malaysian Financial Reporting Standards (“MFRS”) and amendments to the standards to be applied by all Entities Other Than Private Entities for the financial period beginning on or after 1 January 2022:

Amendments to MFRSs

	Effective date
Annual improvements to MFRS Standards 2018 -2020	1 January 2022
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2022

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

At the date of authorization of these interim financial statements, the following MFRS were issued but not yet effective and have not been applied by the Group:

	Effective date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Venture	Deferred

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 MARCH 2022
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 2021 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:

During the quarter under reviewed, a total of 6,885,000 new ordinary shares were issued pursuant to the exercise of the ESOS

Details of the issued and paid-up capital of the Company as at 31 March 2022 are as follows:

	Current quarter ended and Year to date ended 31 March 2022	
	No of shares	Paid up (RM)
Beginning of period	762,943,718	253,069,630
New of shares issued pursuant to ESOS	6,885,000	3,786,750
End of period	769,828,718	256,856,380

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.

11. CONTINGENT ASSET AND LIABILITIES

There were no changes in other contingent liabilities since the last annual audited financial statements as at 31 December 2021.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING
12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 31 March 2022.

13. 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 March 2022.

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:

	31.03.2022 RM'000 (Reviewed)	31.12.2021 RM'000 (Audited)
Capital expenditure		
Approved and contracted for	8,329	17,469

15. SEGMENTAL REPORTING
(a) Revenue and Profit/(Loss) before tax
(i) Current Quarter and year to date ended 31 March 2022

	Total revenue RM'000	Inter segment revenue RM'000	Consolidated revenue RM'000	(Loss)/ Profit before tax	Elimination RM'000	Consolidated (LBT)/ PBT
Property & Construction	-	-	-	(672)	-	(672)
Printing & Publishing	1,258	3	1,255	(477)	-	(477)
Manufacturing	6,360	-	6,360	3,159	(3)	3,156
Utility & Renewable Energy	1,313	113	1,200	10	-	10
Investment Holding	25	25	-	(980)	-	(980)
Total	8,956	141	8,815	1,040	(3)	1,037

(b) Assets & liabilities as at 31 March 2022

	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	121,200	93,702	214,901	603	173,006	173,609
Printing & Publishing	29,455	31,638	61,094	64	52,549	52,612
Manufacturing	77,546	29,590	107,136	11,095	87,013	98,107
Utility & Renewable Energy	847	4,411	5,258	771	4,903	5,674
Investment Holding	93,069	198,532	290,422	-	5,548	5,548
	322,117	357,874	679,990	12,532	323,018	335,550
Elimination	(95,467)	(277,222)	(372,309)	-	(281,200)	(281,200)
Consolidated	226,650	80,651	307,301	12,532	41,818	54,351

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
1. GROUP PERFORMANCE REVIEW

	Quarter and Year-To-Date Ended			
	RM'000	31.03.21 RM'000	Changes RM'000 %	
Operating Revenue	8,815	8,951	(136)	-2%
Non-operating revenue	1,155	311	844	271%
Total revenue	9,970	9,262	708	8%
Operating expenses	(8,582)	(8,484)	(98)	1%
Profit from operations	1,388	778	610	78%
Finance income	0	2	(2)	-100%
Finance cost	(351)	(349)	(2)	1%
Profit before tax	1,037	431	606	141%
Income tax expense	-	-	-	-
Net profit for the period	1,037	431	606	141%

Q1FY2022 VS Q1FY2021

Operating revenue slightly decreased by 2% to RM8.815 million from RM8.951 million posted in same period in FY2021 which derived from 3 out of 4 operation division namely Printing & Publishing, Manufacturing and Utility & Renewable Energy. The non-operation revenue is jumped by 271% (RM0.844) million to RM1.155 million. As a result, the Group total revenue increase by 8% as compared to the same period in the preceding year. In line with the higher revenue and high gross profit margin attributable to the selling EFB compost by the Manufacturing Division, namely Fertiliser segment, the Group result (PBT) for the current quarter surged by 141% to RM1.037 million from the profit recorded in same the period a year ago.

2. OPERATING SEGMENT PERFORMANCE REVIEW
Revenue & Result

REVENUE	Quarter and Year-To-Date Ended			
	31.03.22 RM'000	31.03.21 RM'000	Changes RM'000 %	
Property & Construction	-	6,534	(6,534)	100%
Printing & Publishing	1,258	1,769	(511)	-29%
Manufacturing	6,360	-	6,360	100%
Utility & Renewable Energy	1,313	648	665	102%
Investment Holding	25	35	(10)	-29%
Total revenue	8,956	8,986	(30)	0%
Inter-segment elimination	(141)	(35)	(106)	75%
Group revenue	8,815	8,951	(136)	-2%

PBT/ (LBT)	Quarter and Year-To-Date Ended			
	31.03.22 RM'000	31.03.21 RM'000	Changes RM'000 %	
Property & Construction	(672)	2,841	(3,513)	-124%
Printing & Publishing	(477)	(1,065)	588	55%
Manufacturing	3,156	(956)	4,112	430%
Utility & Renewable Energy	10	92	(82)	-89%
Investment Holding	(980)	(481)	(499)	104%
Group result	1,037	431	606	141%

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****2. OPERATING SEGMENT PERFORMANCE REVIEW - continue****Property & Construction**

No revenue was posted by the division for the current quarter under review. The sale negotiation with the potential investors is on going during and yet to reach an agreement during the period. As compared to the same period of the preceding year, the sum of RM6.534 million revenue posted was solely derived from sale of 1 piece of sub-divided land. In line with no revenue recorded, the division had suffered loss before tax of RM0.672 million, a 124% decreased as compared to the profit before tax of RM2.841 million recorded in same period a year ago.

Printing & Publishing

Revenue for the current quarter declined by 29% to RM1.258 million as compared to the same period last year. The lower revenue in current quarter was mainly due to weaken demand in both commercial and box & packaging as compared to RM1.769 which lower by RM0.910 million posted in same period a year ago. However, lower operating revenue was offset by the other operating revenue of RM1.244 million.

The division results are remained at loss position for both current quarter under review mainly due to the lower operating revenue and increased in administrative overhead. However, higher of non-operating revenue has offset the shortfall during the period. As a result, the losses were declined by RM0.588 million to RM0.477 million as compared to the losses recorded in same period in preceding year of RM1.065 million.

Manufacturing

Pulp & Paper Making segment is yet in the commercial operation and due to that factor, no revenue contributed for the division for the current quarter. Nevertheless, the other segment under the manufacturing division namely Fertiliser has contributed a revenue of RM6.36 million during the quarter which derived from the selling of the EFB compost

Result for the division posted a profit before tax of RM3.156 million as compared to the LBT recorded in same period a year ago, an increased of RM4.112 million. As noted earlier, the division profit was attributable solely to fertiliser segment as the other segment such as Pulp & paper making, animal feed manufacturing and others segments are suffering losses due to non-operation and remained dormant during the period.

Utility & Renewable Energy

The division has recorded revenue of RM1.313 million for the current quarter, an increased more than double as compared to the same period in preceding year of RM0.648 million. Higher revenue attributable to water & waste water segment (Osmocell) which was mainly due to the combination of project delivery from existing order book and trading of the waste water equipment as well as trading of water and waste water treatment chemical. Other segment such as solar energy and utility are remained dormant and yet to contribute any revenue to the division.

In spite of higher revenue, the profit for the current quarter under review recorded lower as compared to the RM0.082 million profit recorded in same period of the preceding year. The higher revenue was offset by the pre-operating expenses of the other 2 segment (dormant) as well in high administrative expenses such as sponsorship & finance cost and lower GP margin recorded for during the quarter under reviewed.

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. The parent company had suffered higher loss of RM0.499 million compared to the LBT of RM0.481 million recorded the same period in preceding year. The higher loss was mainly due to the combination of no operating income other than noted earlier and an increased in corporate and administrative expenses during the quarter under review.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
3. COMMENTARY ON PROSPECTS

Revenue from box and packaging printing segment has a potential to grow. Moving forward, division's main focus is to strengthen the position in this segment as well as to penetrate this segment in African countries.

Pulp & Paper Manufacturing Plant under the Pulp & Paper segment expected to start generate revenue starting July 2022. The division is actively running the trial run which commenced in March 2022 and expected to end the trial run by May 2022. The plant was designed to produce 10,000 MT of Wood Free Paper and 2,000 MT Unbleached Pulp for Premium Packaging Paper. This manufacturing segment is expected to contribute constant annual turnover between RM30 to RM35 million. A Fertiliser production plant using the manufacturing wastage by Pulp & Paper plant is expected to kick start the construction in third quarter 2022 and targeted to complete in 6 months' time.

Osmocell will continuously provide the product and services to the existing customer as well to promote their services and expertise to new customer thru multiple business synergies. With the high revenue recorded in Q1FY2022 showing the ability to sustain and contribute positive growth to the Group. Besides, giving the anticipated demand for water and waste water treatment in 410-acre GTP as alternative for the state water provider, Osmocell is expected augur well as supporting services to the Green Technology Park. The other segment is yet to commence its operation as still at the planning stage.

Looking to each division outlook and prospect, Group is expected positive growth in coming quarter.

4. PROFIT BEFORE TAX

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

	31.03.2022 RM'000 (reviewed)	31.03.2021 RM'000 (reviewed)
Depreciation expense	673	722
Amortisation of Right-use-of asset	287	207
Reversal of allowance for Expected Credit Loss (ECL)	-	(15)
Unrealised gain on foreign exchange	-	(33)
Interest expense of operating lease	31	25
Interest expenses on bank borrowing	299	324
Interest income	(1)	(2)

5. INCOME TAX EXPENSES

No tax provision was made during the period under review.

6. GROUP'S BORROWINGS AND DEBT SECURITIES

Group has not issued any debt securities and the Group borrowings as at 31 March 2022 are as follows

	31.03.2022		31.12.2021	
	Current (reviewed)	Non-current (reviewed)	Current (Audited)	Non-current (Audited)
Secured – Denomination in Malaysia Ringgit (RM)				
Hire purchase	69,563	442,210	81,591	202,171
Term loan	10,342,762	11,508,818	11,417,173	581,081
Operating lease	876,846	581,081	1,086,127	659,403
Overdraft	164,061	-	-	-
Total	11,453,232	12,532,108	12,584,891	1,442,655

Group's gearing ratio was stood at **0.06 times** as of Year-To-Date ended 31 March 2022.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
7. 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.

	31.03.2022 (reviewed)	31.03.2021 (reviewed)
Profit attributable to owners of the Company (RM'000)	1,036	408
Weighted average number of shares issued ('000)	768,154	630,958
Basic earnings/ (loss) per share (sen)	0.13	0.06

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.

	31.03.2022 (reviewed)	31.03.2021 (reviewed)
Profit attributable to owners of the Company (RM'000)	1,036	408
Weighted average number of shares issued ('000)	768,154	630,958
<i>Effect of dilution from:</i>		
Assumed exercise of ESOS ('000)	27,579	-
Assumed exercise of RCPS ('000)	200,000	-
Diluted earnings per share (sen)	0.12	0.06

As at 31 March 2021, 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.

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. GROUP MATERIAL LITIGATION

As at 20 May 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.

11. AUTHORISATION TO ISSUE

The Condensed Report were authorised for release by the Board of Directors as per Board of Directors Meeting held on 26 May 2022