



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2022**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2022

	Individual period			Cumulative period		
	30.09.2022 RM'000 (Reviewed)	30.09.2021 RM'000 (Reviewed)	Changes %	30.09.2022 RM'000 (Reviewed)	30.09.2021 RM'000 (Reviewed)	Changes %
Operating revenue	6,824	17,459	-60.9	27,598	37,002	-25.4
Other income	3,740	272	>100.0	6,280	811	>100.0
Total revenue	10,564	17,731	-40.4	33,878	37,813	-10.4
Cost & operating expenses	(8,363)	(15,943)	-47.5	(29,313)	(35,920)	4.9
Profit from operations	2,201	1,788	23.1	4,565	1,893	>100.0
Finance income	-	3	-89.3	1	7	-75.0
Finance cost	(1,124)	(462)	143.5	(2,067)	(1,268)	16.9
Profit/ (loss) before tax	1,078	1,329	-18.9	2,499	632	>100.0
Income tax expense	-	-	-	-	-	-
Net profit/ (loss) for the period	1,078	1,329	-18.9	2,499	632	>100.0
Net profit/ (loss) attributable to:						
Owners of the Company	1,123	1,434	-15.7	2,605	718	>100.0
Non-controlling interest	(45)	(105)	>100.0	(106)	(86)	>100.0
Net profit/ (loss) for the period	1,078	1,329	-18.9	2,499	632	>100.0

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2022

	Individual period			Cumulative period		
	30.09.2022 RM'000 (Reviewed)	30.09.2021 RM'000 (Reviewed)	Changes %	30.09.2022 RM'000 (Reviewed)	30.09.2021 RM'000 (Reviewed)	Changes %
Net profit/ (loss) for the period	1,078	1,329	-18.9	2,499	632	>100.0
Other comprehensive income:						
Gain on foreign currency translation	692	(3)	>100.0	757	223	>100.0
Total comprehensive income/ (loss)	1,769	1,329	-18.9	3,256	855	>100.0
Total comprehensive (loss)/ income for the period attributable to:						
Owners of the Company	1,815	1,389	30.6	3,362	835	>100.0
Non-controlling interest	(45)	(3)	>-100.0	(106)	20	>-100.0
Total comprehensive income/ (loss)	1,769	1,386	27.6	3,256	855	>100.0

EARNINGS/(LOSS) PER SHARE (SEN) ATTRIBUTABLE TO OWNER OF COMPANY

	Individual period		Cumulative period	
	30.09.2022 Sen	30.09.2021 Sen	30.09.2022 Sen	30.09.2021 Sen
- Basic EPS	0.15	0.21	0.34	0.11
- Diluted EPS	0.13	0.15	0.29	0.08

*Part B, note 11

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 30 SEPTEMBER 2022

	As at 30.09.2022 RM Reviewed	As at 31.12.2021 RM Audited
Non-current assets		
Property, plant and equipment	95,519,711	103,950,439
Intangible assets	1,050,000	1,050,000
Goodwill	498,365	498,365
Right-use-of assets	1,253,046	1,608,249
Other investments	22,688	22,688
Inventories	120,524,711	119,784,700
Deferred tax assets	125,620	125,620
Non-current assets	229,284,092	227,040,061
Current assets		
Inventories	54,965,624	6,508,978
Trade receivables	28,590,214	22,439,488
Other receivables, deposits and prepayments	51,316,386	31,271,538
Amount due from associate company	21,515	-
Tax recoverable	146,186	231,299
Fixed deposit with a licensed bank	37,479	36,889
Cash and bank balances	2,922,714	7,982,501
Current assets	138,000,117	68,470,693
Total assets	345,568,750	295,510,754
Equity		
Share capital	264,509,630	253,069,630
Redeemable convertible preference share	10,000,000	10,000,000
Reserve	(11,430,135)	(14,791,957)
Equity attributable to owners of the Company	263,079,495	248,277,673
Non-controlling interest	(321,170)	(215,544)
Total equity	262,758,325	248,062,129
Non-current liabilities		
Hire purchase liabilities	478,039	202,171
Borrowings	49,559,403	581,081
Lease liabilities	581,081	659,403
Non-current liabilities	50,618,523	1,442,655
Current liabilities		
Trade payables	15,692,490	15,661,720
Other payables and accruals	28,382,928	17,759,042
Hire purchase liabilities	326,552	81,591
Borrowings	8,581,489	11,417,173
Lease liabilities	722,261	1,086,127
Tax payable	317	317
Bank overdraft	201,325	-
Current liabilities	53,907,362	46,005,970
Total liabilities	104,525,885	47,448,625
Total equity and liabilities	367,284,209	295,510,754
Net Asset per share (RM)	0.34	0.34

Notes:

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 30 SEPTEMBER 2022

	Share capital	RCPS	Foreign currency 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	-	-	-	-	-	-	2,604,681	2,604,681	(105,627)	2,499,054
Other comprehensive income	-	-	757,141	-	-	-	-	757,141	-	757,141
Total comprehensive income	-	-	757,141	-	-	-	2,604,681	3,361,822	(105,627)	3,256,196
Transactions with owners:										
Issue of share via ESOS	11,440,000	-	-	-	(2,134,080)	-	2,134,080	11,440,000	-	11,440,000
Total transactions with owners	11,440,000	-	-	-	(2,134,080)	-	2,134,080	3,786,750	-	11,440,000
At 30 September 2022 (reviewed)	264,509,630	10,000,000	664,694	(16,832,846)	1,230,174	-	3,507,843	263,079,495	(321,170)	262,758,325
At 1 Jan 2021 (reviewed)	171,566,160	-	(337,135)	(16,832,846)	-	-	(14,906,298)	139,489,881	(61,507)	139,428,374
Profit for period	-	-	-	-	-	-	717,872	717,872	(85,854)	632,018
Other comprehensive income	-	-	280,748	-	-	-	-	280,748	-	280,748
Total comprehensive income	-	-	280,748	-	-	-	717,872	998,620	(85,854)	912,766
Transactions with owners:										
Acquisition of subsidiary	-	-	-	-	-	-	-	-	(230,691)	(230,691)
Issue of shares via private placements	54,771,043	-	-	-	-	-	-	54,771,043	-	54,771,043
Issuance of new RCPS	4,592,500	-	-	-	-	-	-	4,592,500	-	4,592,500
Share option granted	-	10,000,000	-	-	-	-	-	10,000,000	-	10,000,000
Share issue expenses	-	-	-	-	6,281,172	-	856,710	7,137,882	-	7,137,882
Total transactions with owners	59,035,090	10,000,000	-	-	6,281,172	-	856,710	76,172,972	(230,691)	75,942,281
At 30 September 2021 (reviewed)	230,601,250	10,000,000	(56,387)	(16,832,846)	6,281,172	-	(13,331,716)	216,661,473	(378,052)	216,283,421

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 30 SEPTEMBER 2022

	30.09.2022 RM'000	30.09.2021 RM'000
	(Reviewed)	(Reviewed)
Cash flows used in operating activities		
Profit/ (loss) before tax	2,499	632
Adjustment for:		
Share option granted under ESOS	-	7,138
Depreciation	2,961	2,035
Amortisation of Right-Use-Assets	1,049	803
Reversal of allowance for ECL	(51)	(82)
Unrealised of gain on foreign exchange	(49)	(105)
PPE written off	3	-
Gain on disposal of fixed asset	(2,597)	(129)
Operating lease interest	59	84
Interest expense	2,008	1,184
Interest income	(1)	(7)
Operating profit before working capital changes	5,879	11,554
Increase in inventories	(882)	(42,996)
Increase in trade and other receivables	(9,372)	(17,849)
Increase/ (decrease) in trade and other payables	10,655	(4,082)
Cash used for operations	6,279	(53,373)
Income tax paid	(12)	-
Income tax refund	97	(23)
Net cash generated/ (used) in operating activities	6,364	(53,396)
Cash flows used in investing activities		
Addition of PPE	(3,346)	(1,671)
Property development work in progress	(48,314)	-
Subscription of share in associate company	(10,290)	-
Proceeds from disposal of plant & equipment	-	197
Acquisition of subsidiary, net cash acquired	-	(329)
Deposit paid for purchase of plant and equipment	(4,746)	(6,856)
Placement of fixed deposit with maturity more than 3 months	-	(38)
Interest received	1	7
Net cash used in investing activities	(66,695)	(8,691)
Cash flows from financing activities		
Proceed from:		
Term loan	48,900	600
Private placement of share, net off share issuance cost	-	54,443
Issuance of share under ESOS	11,440	4,592
Proceeds from issuance of RCPS	-	10,000
Repayment of:		
Trade finance	-	-
Term loan	(2,836)	(1,191)
Hire purchase liability	(69)	(150)
Operating lease	(1,057)	(767)
Operating lease interest	(59)	(84)
Bank borrowing & other finance interest	(2,008)	(1,184)
Net cash flow from financing activities	54,313	66,259
Net (decreased)/ increase in cash and cash equivalents	(6,018)	4,172
Cash and cash equivalents at beginning of year	7,983	1,205
Effect of exchange rate changes	757	257
Cash and cash equivalents at end of period	2,721	5,634

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2022 (Continued)

	30.09.2022 RM'000 (Reviewed)	30.09.2021 RM'000 (Reviewed)
Cash and cash equivalents at end of period comprise of:		
Cash and cash equivalents comprise of:		
Cash and bank balances	2,923	5,833
Fixed deposits*	37	167
Bank overdraft	(201)	(199)
	2,759	5,801
*Fixed deposit pledged with licensed bank	(37)	(167)
Cash and cash equivalents at end of period	2,721	5,634

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 30 SEPTEMBER 2022**PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING****1. BASIS OF PREPARATION**

These condensed consolidated financial statements (“Condensed Report”) have been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting*, the International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable. This Condensed Report has been prepared under the historical cost convention.

The Interim Financial Report is unaudited and has been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

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**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 2021, except for the following which were adopted at the beginning of the current financial year. These pronouncements are either not relevant or do not have any material impact on the Group’s financial statements for the current financial year.

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

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 to the Group’s current financial period.

Effective for financial periods beginning on or after 1 January 2023

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

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 material impact on the Group’s financial statements.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 was 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 period under review except the following. Details of the issued and paid-up capital of the Company as at 30 September 2022 are as follows:

	Current quarter ended 30 September 2022		Year to date ended 30 September 2022	
	No of shares	Proceed (RM)	No of shares	Proceed (RM)
New of shares issued pursuant to ESOS	13,915,000	7,653,250	20,800,000	11,440,000

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 EVENT AFTER THE REPORTING PERIOD

There was no material event subsequent to the quarter and year-to-date ended 30 September 2022

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

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current quarter ended 30 September 2022.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022
PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING
13. SEGMENTAL 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:

13.1 Operating Revenue

	Quarter ended			Year to date ended		
	30.09.22 RM'000	30.09.21 RM'000	Changes %	30.09.22 RM'000	30.09.21 RM'000	Changes %
Property & Construction	-	15,295	>-100.0	9,539	29,016	-67.1
Printing & Publishing	1,347	2,165	-37.8	3,768	5,989	-37.1
Manufacturing	4,515	-	>100.0	10,875	-	>100.0
Utility & Renewable Energy	1,078	706	52.7	3,787	2,716	39.5
Investment Holding	27	44	-38.7	75	120	-37.5
Total	6,967	18,210	-61.7	28,045	37,842	-25.9
Intragroup sales elimination	(143)	(751)	n/a	(447)	(840)	n/a
Grand total	6,824	17,459	-60.9	27,598	37,002	-25.4

13.2 Operating expenses

	Quarter ended			Year to date ended		
	30.09.22 RM'000	30.09.21 RM'000	Changes %	30.09.22 RM'000	30.09.21 RM'000	Changes %
Property & Construction	(644)	(692)	-6.9	(1,927)	(2,263)	-14.9
Printing & Publishing	(573)	(904)	-36.6	(1,971)	(2,420)	-18.6
Manufacturing	(1,537)	(914)	68.2	(6,109)	(3,369)	81.3
Utility & Renewable Energy	(395)	(331)	19.4	(1,218)	(815)	49.3
Investment Holding	(1,061)	(5,695)	81.4	(3,015)	(8,811)	-65.8
Total	(4,211)	(8,536)	-50.7	(14,239)	(17,679)	-19.5
Intragroup elimination	51	132	n/a	418	421	n/a
Grand total	(4,262)	(8,368)	-49.1	(13,821)	(17,258)	-19.9

13.3 Profit/ (loss) before tax

	Quarter ended			Year to date ended		
	30.09.22 RM'000	30.09.21 RM'000	Changes %	30.09.22 RM'000	30.09.21 RM'000	Changes %
Property & Construction	(648)	8,659	>-100.0	3,672	14,882	-75.3
Printing & Publishing	2,554	(226)	>100.0	1,142	(1,374)	>100.0
Manufacturing	555	(963)	>100.0	1,256	(3,604)	>100.0
Utility & Renewable Energy	(73)	(342)	-78.7	(171)	(242)	-29.4
Investment Holding	(1,134)	(5,798)	-80.4	(3,217)	(9,027)	-64.4
Total	1,254	1,331	-5.8	2,682	635	>100.0
Intragroup profit elimination	(176)	(2)	n/a	(183)	(2)	n/a
Grand total	1,078	1,329	-5.8	2,499	632	>100.0

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022
PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING
13. SEGMENT INFORMATION (CONT'D)
13.4 Assets as at 30 September 2022

	Non-current		Current		Total	
	30.09.22 RM'000	31.12.21 RM'000	30.09.22 RM'000	31.12.21 RM'000	30.09.22 RM'000	31.12.21 RM'000
		Audited		Audited		Audited
Property & Construction	121,901	120,931	86,497	96,887	208,398	217,818
Printing & Publishing	21,256	30,121	42,494	32,321	63,750	62,442
Manufacturing	77,674	77,592	36,064	20,802	113,738	98,394
Utility & Renewable Energy	729	912	5,380	4,112	6,110	5,024
Investment Holding	104,368	93,034	206,379	195,779	310,747	288,813
Subtotal	325,928	322,591	376,815	349,902	702,742	672,493
Intragroup elimination	(96,644)	(95,551)	(238,815)	(281,431)	(367,284)	(376,982)
Total	229,284	227,040	138,000	68,471	335,458	295,511

13.5 Liabilities as at 30 September 2022

	Non-current		Current		Total	
	30.09.22 RM'000	31.12.21 RM'000	30.09.22 RM'000	31.12.21 RM'000	30.09.22 RM'000	31.12.21 RM'000
		Audited		Audited		Audited
Property & Construction	639	363	160,441	175,555	161,079	175,918
Printing & Publishing	64	64	53,585	53,420	53,649	53,483
Manufacturing	49,145	245	57,468	92,280	106,613	92,525
Utility & Renewable Energy	771	771	5,936	4,680	6,707	5,451
Investment Holding	-	-	19,277	5,566	19,277	5,566
Subtotal	50,619	1,443	296,706	331,501	347,325	332,944
Intragroup elimination	-	-	(242,799)	(285,495)	(242,799)	(285,495)
Total	50,619	1,443	53,907	46,006	104,526	47,449

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:

	30.09.2022 RM'000	31.12.2021 RM'000
Capital expenditure	(Reviewed)	(Audited)
Approved and contracted for	10,798	17,469

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 September 2022.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
1. GROUP PERFORMANCE REVIEW

	Individual period			Cumulative period		
	30.09.2022 RM'000 (Reviewed)	30.09.2021 RM'000 (Reviewed)	Changes %	30.09.2022 RM'000 (Reviewed)	30.09.2021 RM'000 (Reviewed)	Changes %
Operating revenue	6,824	17,459	-60.9	27,598	37,002	-25.4
Other income	3,740	272	>100.0	6,280	811	>100.0
Total revenue	10,564	17,731	-40.4	33,878	37,813	-10.4
Cost & operating expenses	(8,363)	(15,943)	-47.5	(29,313)	(35,920)	4.9
Profit from operations	2,201	1,788	23.1	4,565	1,893	>100.0
Finance income	-	3	-89.3	1	7	-75.0
Finance cost	(1,124)	(462)	>100.0	(2,067)	(1,268)	16.9
Profit/ (loss) before tax	1,078	1,329	-18.9	2,499	632	>100.0
Income tax expense	-	-	-	-	-	-
Net profit/ (loss) for the period	1,078	1,329	-18.9	2,499	632	>100.0
Net profit/ (loss) attributable to:						
Owners of the Company	1,123	1,434	-15.7	2,605	612	>100.0
Non-controlling interest	(45)	(105)	>100.0	(106)	20	>100.0
Net profit/ (loss) for the period	1,078	1,329	-18.9	2,499	632	>100.0

Current quarter vs. Preceding Year Quarter

Group bottom line result declined by 18.9 percent to RM1.08 million compared to the result of RM1.33 million in same period ended 30 September 2021 ("Q3FY21"). It has been driven the combination of lower in operating revenue, decreased in operating expenses as well as increased in finance cost. Group operating revenue significantly dropped by 60.9 percent which was mainly due to the absent of land sale in GTP project. However, group revenue was supported by the new revenue stream of RM4.52 million from paper making manufacturing segment which attributed 66.2 percent of Group operating revenue for the current quarter under review. As for the operating expenses, a reduction of 47.5 percent as compared to the same period in the preceding year which was significantly due to the absent of cost pertaining to share option granted (ESOS). Group finance cost increased more than double due to bank borrowing cost incurred which in line with the increased in bank borrowing. Despite of lower operating revenue, the Group result was also backed by the other non-operating revenue (other income) which mainly derived from gain on disposal of asset.

Profit attributable to the owner of the company has recorded at RM1.123 million compared to profit attributable of RM1.434 million. Basic earnings per share (EPS) stood at 0.15 sen as compared to earnings per share of 0.34 sen in the same period of preceding year.

Year-to-date FY2022 ("3QFY22") vs. Year-to-date FY2021("3QFY21")

The Group's operating revenue dropped by 25.4 percent from RM37.0 million to RM26.70 million. It was significantly due to the lower revenue from land sale which shown a decreased by 67.1% as well as declined in printing & publishing by 37.1 percent. However, the negative growth of these two segments have been partly offset by the new revenue stream recorded from manufacturing division amounting to RM10.88 million. Despite of lower operating revenue, Group result was also supported by the increased in other income which mainly derived from the gain on disposal of PPE and rental income.

Group operating expenses slightly decreased due to the combination of few factors which particularly attributable to the absent of the ESOS issuance cost, increased in pre-operating expenses incurred by manufacturing division during first half year FY2022 as well as increased in R&D expenses related to the Fertiliser manufacturing segment.

As a result, Group has recorded higher profit (RM2.5 million) as compared to profit result of RM0.632 million recorded in the same period a year ago. In line with the higher profit recorded by 100% owned subsidiaries, profit attributable to the owner of the company for the 3QFY22 hugely increased from RM0.61 million to RM2.61 million.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
2. OPERATING DIVISION/ SEGMENT PERFORMANCE REVIEW
Property & Construction

	Quarter ended			Year to date ended		
	30.09.22 RM'000	30.09.21 RM'000	Changes %	30.09.22 RM'000	30.09.21 RM'000	Changes %
Operating revenue	-	15,295	>-100.0	9,539	29,016	-67.1
Operating expenses	(644)	(692)	-6.9	(1,927)	(2,263)	-14.9
Profit/ (loss) after tax	(648)	8,659	>-100.0	3,672	14,882	-75.3

Current quarter vs. Preceding Year Quarter

No revenue recorded during the current quarter under review as no sale of land transacted. Operating expenses slightly decreased by 6.9 percent as compared to the same period a year ago due to the lower marketing expenses. Due to the absent of the operating revenue, it was a significantly gave an impact to the division result for the current quarter. Hence, the division has recorded lost after tax of RM0.65 million as compared to the profit after tax of RM8.66 million in the same quarter preceding year.

Year-to-date FY2022 ("3QFY22") vs. Year-to-date FY2021("3QFY21")

Result for 3QFY22 declined by 75.3 percent from RM14.88 million to RM3.67 million as compared to 3QFY21. It was significantly affected by the lower revenue which shown a reduction of 67.1 percent. Lower in operating revenue was mainly due to lower sale of land secured during the period under review. As for the operating expenses, there was some saving in administrative expenses, particularly in professional and consultation fee.

Printing & Publishing

	Quarter ended			Year to date ended		
	30.09.22 RM'000	30.09.21 RM'000	Changes %	30.09.22 RM'000	30.09.21 RM'000	Changes %
Operating revenue	1,347	2,165	-37.8	3,768	5,989	-37.1
Other income	3,819	164	>100.0	6,358	541	>100.0
Operating expenses	(573)	(904)	-36.6	(1,971)	(2,420)	-18.6
Profit/ (loss) after tax	2,554	(226)	>100.0	1,142	(1,374)	>100.0

Current quarter vs. Preceding Year Quarter

Operating revenue decreased by 37.8 percent attributable to the lower revenue from packaging printing segment which due to the lower job order. Operating expenses has shown a reduction by 26.6 percent due to the absent of transportation cost for the delivery of the school text book which in line with the no revenue from this segment. Nevertheless, other income which attributable to rental income and gain of disposal of PPE have fully offset the shortfall of the division topline. As a result, the division recorded a profit of RM2.55 million, a positive turnaround from the loss result of the same period of the preceding year.

Year-to-date FY2022 ("3QFY22") vs. Year-to-date FY2021("3QFY21")

Due to the combination of lower operating revenue, saving in administrative expenses and huge increase of other income), the division recorded a profit of RM1.14 million for the nine months period of FY2022. There was a positive turnaround from loss result of RM1.37 million recorded in the same period a year ago.

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PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
2. OPERATING SEGMENT PERFORMANCE REVIEW – CONT'D
Manufacturing

	Quarter ended			Year to date ended		
	30.09.22 RM'000	30.09.21 RM'000	Changes %	30.09.22 RM'000	30.09.21 RM'000	Changes %
Operating revenue	4,515	-	>100.0	10,875	-	>100.0
Operating expenses	(1,537)	(914)	68.2	(6,109)	(3,369)	81.3
Net finance cost	(987)	(249)	>100.0	(1,669)	(768)	>100.0
Profit/ (loss) after tax	555	(963)	>100.0	1,256	(3,604)	>100.0

Current quarter vs. Preceding Year Quarter

During the Q3FY22 division result recorded at profit of RM0.56 million, a positive turnaround from the Loss of RM0.96 million recorded in the same period last year which fully backed by RM4.52 million revenue from Paper making segment. It was a new stream of operating revenue for the Manufacturing division as well as to the Group. The other segments such as Fertiliser, Animal feed, Tissue paper and Pulp mill were yet commenced its operation.

Despite of higher revenue, it has been partly offset with the increased operating expenses which attributable to the increased in administrative expenses such as salary expenses, professional & consultation fee as well as pre-operating expense of Fertiliser segment. Finance cost recorded higher as compared to the same period a year ago which in line with the increased in bank borrowing.

Year-to-date FY2022 (“3QFY22”) vs. Year-to-date FY2021 (“3QFY21”)

The division contribute RM1.26 million profit to the Group, which attribute 50.3 percent of the Group profit. It was a positive turnaround from loss of RM3.60 million recorded during the same period in the preceding year.

The division profit was fully backed by the operating revenue by Paper making segment of RM4.52 million and RM6.36 million Fertiliser segment. The other segments such as Fertiliser, Animal feed, Tissue paper and Pulp mill not contribute any revenue as its yet to commenced its operation. In spite of higher revenue, increased in administrative expenses and bank borrowing cost has reduced the division profit.

Utility & Renewable Energy

	Quarter ended			Year to date ended		
	30.09.22 RM'000	30.09.21 RM'000	Changes %	30.09.22 RM'000	30.09.21 RM'000	Changes %
Operating revenue	1,078	706	52.7	3,787	2,716	39.5
Operating expenses	(395)	(331)	19.4	(1,218)	(815)	49.3
Net finance cost	(30)	(50)	-40.0	(88)	(119)	-26.1
Profit/ (loss) after tax	(73)	(342)	-78.7	(171)	(242)	-29.4

The division financial performance was fully supported by the water and waste water treatment operation activities. The other segment such as Energy, Biomass and Utility are still at planning stage. Thus, the division result for both current quarter and YTD FY22 remain in loss position in spite of increased in operating revenue 52.7 and 39.5 percent respectively. Higher revenue was offset by the increased in operating expenses particularly in administrative expenses such as staff salary, wages & related expenses,

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3. OPERATING SEGMENT PERFORMANCE REVIEW – CONT'D
Investment Holding

	Quarter ended			Year to date ended		
	30.09.22 RM'000	30.06.21 RM'000	Changes %	30.09.22 RM'000	30.06.21 RM'000	Changes %
Operating revenue	27	44	-38.7	75	120	-37.5
Operating expenses	(1,061)	(5,695)	-81.4	(3,015)	(8,811)	-65.8
Profit/ (loss) after tax	(1,134)	(5,798)	-80.4	(3,217)	(9,027)	-64.4

The parent company loss result for both periods demonstrated a reduction by 80.4 and 64.4 percent respectively as compared to same period in preceding year. It was mainly due to lower operating expenses significantly attribute to absent of ESOS issuance cost.

4. MATERIAL CHANGES IN PERFORMANCE OF OPERATING SEGMENT CURRENT QUARTER'S RESULT COMPARED TO IMMEDIATE PRECEDING QUARTER

- 1) Absent of sale of land in Green Technology Park due
- 2) New revenue stream from Manufacturing division by its paper making manufacturing segment in Quarter 3. Commercial activities had commenced in July 2022
- 3) Gain on disposal of PPE by the Printing and Publishing division.

5. COMMENTARY ON PROSPECTS AND TARGETS

Printing & Publishing division remain resilient in spite of rise of digitalisation. The group perceive that it will not give any significant impact to the division operation. The group also remain confident that the division is in good track to strengthen the position in African countries for school text book printing.

Paper making segment had commenced the operation in July 2022 and the production activities is ongoing to fulfill the demand for the sample from the various local and oversea prospects. The group confident will able to finalise and secure the order and supply offtake in the near future. A Fertiliser production plant had commenced its construction and targeted to be completed in Quarter 1 2023.

6. PROFIT BEFORE TAX

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

	Quarter Ended		Year-To-Date Ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Share option granted under ESOS	-	5,168	-	7,138
Depreciation	1,053	654	2,961	2,035
Amortisation of Right-Use-Assets ("ROU")	480	310	1,049	803
Reversal of allowance for ECL	-	-	-51	(82)
Unrealised of loss/(gain) on foreign exchange	(38)	(23)	-49	(105)
PPE written off	-	-	3	-
Gain on disposal of fixed asset	(2,597)	(120)	(2,597)	(129)
Interest on lease liability	18	28	59	84
Interest expense	1,106	434	2,008	1,184
Interest income	-	(3)	(1)	(7)

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7. INCOME TAX EXPENSE

No provision for tax has been made during the Quarter under review.

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'S BORROWINGS AND DEBT SECURITIES

Group has not issued any debt securities and the Group borrowings as at 30 September 2022 are as follows

	30.09.2022	31.12.2021
	RM'000	RM'000
	(Reviewed)	(Audited)
Secured		
NON CURRENT		
Hire purchase	478,039	202,171
Term loan	49,559,403	581,081
Operating lease	581,081	659,403
	50,618,523	1,442,655
CURRENT		
Hire purchase	326,552	81,591
Term loan	8,581,489	11,417,173
Operating lease	722,261	1,086,127
	9,630,302	12,584,891
Grand total	60,248,825	14,027,646
Gearing ratio	0.22 times	0.02 times

11. EARNINGS/(LOSS) PER SHARE
Basic

Basic earnings per share is calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Quarter Ended		Year-To-Date Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Profit attributable to owners of the Company (RM'000)	1,123	1,434	2,605	718
Weighted average number of shares issued ('000)	769,275	680,234	769,275	680,234
Basic earnings/ (loss) per share (sen)	0.15	0.21	0.34	0.11

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11. EARNINGS/(LOSS) PER SHARE – CONT'D
Diluted

Diluted earnings per share is calculated based on the adjusted consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of shares in issue during the financial year have been adjusted for the dilutive effects of all potential shares as follows:

	Quarter Ended		Year-To-Date Ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Profit attributable to owners of the Company (RM'000)	1,123	1,434	2,605	718
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	769,275	680,234	769,275	680,234
<i>Effect of dilution from:</i>				
- Share-based payment (ESOS) ('000)	9,416	61,220	9,416	61,220
- Conversion of RCPS ('000)	110,235	200,000	110,235	200,000
Weighted average number of ordinary shares	888,925	941,454	888,925	941,454
Diluted earnings per share (sen)	0.13	0.15	0.29	0.08

10. GROUP MATERIAL LITIGATION

As at 22 November 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 was authorised for release by the Board of Directors as per Board of Directors Meeting held on 28 November 2022.