



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2023**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2023

	Quarter and year-to-date ended		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
Operating revenue	9,899	8,815	12%
Other income	1,117	1,154	-3%
Total revenue	11,016	9,969	10%
Cost & operating expenses	(8,829)	(8,581)	3%
Profit from operations	2,187	1,388	58%
Finance income	-	-	-
Finance cost	(1,077)	(351)	207%
Profit before tax	1,110	1,037	7%
Income tax expense	-	-	N/A
Net profit for the period	1,110	1,037	7%
Net profit/ (loss) attributable to:			
Owners of the Company	1,131	1,036	9%
Non-controlling interest	(21)	1	-2085%
Net profit for the period	1,110	1,037	7%

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

	Quarter and year-to-date ended		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
Comprehensive income			
Net profit for the period	1,110	1,037	7%
Gain on foreign currency translation	44	65	-32%
Total comprehensive income/ (loss)	1,154	1,102	5%
Total comprehensive (loss)/ income for the period attributable to:			
Owners of the Company	1,175	1,101	7%
Non-controlling interest	(21)	1	-2085%
Total comprehensive income/ (loss)	1,154	1,102	5%

EARNINGS PER SHARE ATTRIBUTABLE TO OWNER OF COMPANY

	Quarter and year-to-date ended	
	31.03.2023 Cent	31.03.2022 Cent
Basic EPS	0.14	0.13
Diluted EPS	0.13	0.12

Detail computation - Part B, note 11

Note:

The Condensed Consolidated Statements of Profit or Loss and Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying notes to the Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	As at 31.03.2023 Unaudited	As at 31.12.2022 Audited
Non-current assets		
Property, plant and equipment	133,002	133,743
Investment property	18,016	18,097
Intangible assets	500	500
Right-use-of assets	622	809
Investment in associates	10,181	10,181
Other investments	23	23
Inventories	157,612	157,570
Deferred tax assets	114	114
Non-current assets	320,071	321,037
Current assets		
Inventories	25,154	10,360
Trade receivables	26,360	24,054
Other receivables, deposits and prepayments	26,176	26,687
Tax recoverable	146	146
Fixed deposit with a licensed bank	5	5
Cash and bank balances	5,042	4,351
Current assets	82,883	65,603
Non-current asset held for sales	9,842	9,842
Total assets	412,796	396,482
Equity		
Share capital	283,104	266,385
Redeemable convertible preference shares	8,500	10,000
Reserve	(577)	(1,751)
Equity attributable to owners of the Company	291,028	274,634
Non-controlling interest	(210)	(189)
Total equity	290,818	274,445
Non-current liabilities		
Borrowings	58,596	58,596
Hire purchase liabilities	677	502
Lease liabilities	182	182
Non-current liabilities	59,454	59,280
Current liabilities		
Trade payables	21,773	19,140
Other payables and accruals	29,751	31,506
Borrowings	9,028	10,013
Hire purchase liabilities	165	151
Lease liabilities	532	673
Tax payable	1,275	1,275
Current liabilities	62,524	62,758
Total liabilities	121,978	122,037
Total equity and liabilities	412,796	396,482
Net Asset per share (RM)	0.35	0.34

Note:

The Condensed Consolidated Statements of financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying notes to the Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 31 MARCH 2023

	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'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 Jan 2023 (Audited)	266,385	10,000	276	(16,833)	-	880	13,925	274,634	(189)	274,445
Comprehensive income:										
Profit for period	-	-	-	-	-	-	1,131	1,131	(21)	1,110
Other comprehensive income	-	-	44	-	-	-	-	44	-	44
Total comprehensive income	-	-	44	-	-	-	1,131	1,175	(21)	1,154
Transactions with owners:										
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	(0)
Issuance of shares - ESOS	4,719	-	-	-	-	(880)	880	4,719	-	4,719
Issuance of shares - RCPS	12,000	(1,500)	-	-	-	-	-	10,500	-	10,500
Total transactions with owners	16,719	(1,500)	-	-	-	(880)	880	15,219	-	15,219
At 31 March 2023 (reviewed)	283,104	8,500	320	(16,833)	-	-	15,936	291,028	(210)	290,818
At 1 Jan 2022 (Audited)	253,070	10,000	(92)	(16,833)	-	3,364	(1,231)	248,278	(216)	248,062
Comprehensive income:										
Profit for period	-	-	-	-	-	-	1,036	1,036	1	1,037
Other comprehensive income	-	-	65	-	-	-	-	65	-	65
Total comprehensive income	-	-	65	-	-	-	1,036	1,101	1	1,102
Transactions with owners:										
Issue of share via ESOS	3,787	-	-	-	-	-	-	3,787	-	3,787
Share option granted	-	-	-	-	-	(706)	706	-	-	-
Total transactions with owners	3,787	-	-	-	-	(706)	706	3,787	-	3,787
At 31 March 2022 (reviewed)	256,857	10,000	(27)	(16,833)	-	2,658	511	253,166	(215)	252,951

Note:

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 2023**

	Quarter and Year-to-date ended	
	31.03.2023	31.03.2022
	RM'000	RM'000
	(Reviewed)	(Reviewed)
Cash flows used in operating activities		
Profit before tax	1,110	1,037
Adjustment for:		
Depreciation expense	1,255	673
Amortisation of Right-use-of asset	211	287
Unrealised gain on foreign exchange	(16)	-
Interest paid	1,077	330
Interest received	-	(1)
Operating profit before working capital changes	3,637	2,326
Changes in working capital:		
Inventories	240	(14,004)
Trade and other receivables	(1,779)	(6,743)
Trade and other payables	877	5,342
	(662)	(15)
Cash generated from/ (used in) operations	2,975	(13,079)
Interest paid	(1,077)	(330)
Interest received	-	1
Income tax refund	-	52
Net cash generated from/ (used in) operating activities	1,898	(13,356)
Cash flows from investing activities		
Addition of property, plant & equipment	(413)	(267)
Development & construction work in progress (inventory)	(15,034)	-
Net cash used in investing activities	(15,447)	(267)
Cash flows from financing activities		
Proceed from:		
Term loan	-	10,849
Hire purchase	226	-
Exercise of ESOS	4,719	3,787
Exercise of RCPS	10,500	-
Repayment of:		
Term loan	(985)	(1,074)
Hire purchase	(37)	(12)
Lease liability	(164)	(209)
Net cash flow from financing activities	14,259	13,341
Net increase/ (decrease) in cash and cash equivalents	710	(282)
Cash and cash equivalents at beginning of year	4,351	7,983
Effect of exchange rate changes	(19)	65
Cash and cash equivalents at end of period	5,042	7,764
Cash and cash equivalents at end of period comprise of:		
Cash and bank balances	5,042	7,928
Overdraft	-	(164)
Fixed deposits*	5	37
	5,047	7,801
*Fixed deposit pledged with licensed bank	(5)	(37)
Cash and cash equivalents at end of period	5,042	7,764

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**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 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 2022. 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 2022.

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 2022, 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.

- 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

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.

Effective for financial periods beginning on or after 1 January 2024

Amendment to MFRS 16 Leases - Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants

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.

3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements for the financial year ended 31 December 2022 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.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING
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. Details of the issued and paid-up capital of the Company as at 31 March 2023 are as follows:

	No of ordinary share		Amount	
	31.03.2023 Unit'000	31.03.2022 Unit'000	31.03.2023 RM'000	31.03.2022 RM'000
Issued and fully paid				
At beginning of period	787,154	762,944	266,385	253,070
Issuance of shares				
- Private placement	-	-	-	-
- Exercise ESOS	8,580	6,885	4,719	3,787
- Exercise RCPS	30,000	-	12,000	-
- Share issuance expenses	-	-	-	-
At end of the period	825,734	769,829	283,104	256,857

As of 31 March 2023, the share option granted (“ESOS”) have been fully exercised.

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 31 December 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 2022

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current quarter ended 31 March 2023.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
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 as follow:

- a) Property & Construction mainly comprise of Green Technology Park developer, construction and renovation works.
- b) Printing & Publishing mainly comprise of printing of book, magazine, box and packaging and book publisher.
- c) Manufacturing mainly comprise of manufacturing of pulp and paper products, liquid and solid fertiliser and animal feeds
- d) Utility & Renewable Energy mainly comprise of water and waste water treatment, collection and processing of oil palm waste.
- e) Other mainly comprise of internal management services, forest management and carbon credit consulting services.

	Quarter and year-to-date ended		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
13.1 Segmental Operating Revenue			
Property & Construction	-	-	-
Printing & Publishing	1,173	1,258	-7%
Manufacturing	8,948	6,360	41%
Utility & Renewable Energy	-	1,314	-100%
Other	24	25	-7%
Total	10,145	8,957	13%
Intragroup sales elimination	(246)	(142)	74%
Grand total	9,899	8,815	12%

13.2 Administrative expenses

Property & Construction	(721)	(669)	8%
Printing & Publishing	(534)	(775)	-31%
Manufacturing	(1,093)	(2,401)	-54%
Utility & Renewable Energy	(3)	(384)	-99%
Other	(950)	(905)	5%
Total	(3,303)	(5,134)	-36%
Intragroup elimination	112	223	-50%
Grand total	(3,189)	(4,910)	-35%

13.3 Segmental Profit/ (loss) after tax

Property & Construction	(730)	(672)	9%
Printing & Publishing	803	(477)	268%
Manufacturing	2,071	3,159	-34%
Utility & Renewable Energy	(3)	10	-135%
Other	(1,030)	(980)	5%
Total	1,110	1,040	7%
Intragroup elimination	-	(3)	-100%
Grand total	1,110	1,037	7%

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING
13. SEGMENT INFORMATION (CONT'D)
13.4 Segmental assets as at 31 March 2023

	31.03.2023	Non-current	Changes	31.03.2023	Current	Changes
	RM'000	31.03.2022		RM'000	31.12.2022	
	Unaudited	Audited	RM'000	Unaudited	Audited	RM'000
Property & Construction	159,144	174,881	(15,737)	65,421	37,984	27,437
Printing & Publishing	20,560	32,740	(12,180)	26,119	14,810	11,309
Manufacturing	117,278	124,275	(6,998)	43,118	27,255	15,863
Utility & Renewable Energy	-	-	-	-	1,000	(1,000)
Other	130,067	159,164	(29,097)	208,589	179,653	28,936
Subtotal	427,049	491,061	(64,012)	343,247	260,701	82,545
Intragroup elimination	(106,978)	(170,024)	63,046	(260,364)	(185,256)	(75,107)
Total	320,071	321,037	(966)	82,883	75,445	7,437

13.5 Segmental liabilities as at 31 March 2023

	31.03.2023	Non-current	Changes	31.03.2023	Current	Changes
	RM'000	31.03.2022		RM'000	31.12.2022	
	Unaudited	Audited	RM'000	Unaudited	Audited	RM'000
Property & Construction	353	353	-	178,328	166,930	11,399
Printing & Publishing	174	174	-	50,359	52,027	(1,668)
Manufacturing	92,779	102,421	(9,642)	82,827	25,341	57,487
Utility & Renewable Energy	-	-	-	74	97	(23)
Other	11,718	11,718	-	20,547	22,998	(2,451)
Subtotal	105,024	114,666	(9,642)	332,136	347,325	(15,189)
Intragroup elimination	(45,569)	(55,386)	9,817	(269,612)	(284,567)	14,955
Total	59,454	59,280	175	62,524	62,758	(234)

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:

	31.03.2023	31.12.2022
	RM'000	RM'000
	(Reviewed)	(Audited)
Capital expenditure – Property, Plant & Equipment		
Approved and contracted for	8,603	8,475

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 March 2023.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
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		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
Operating revenue	9,899	8,815	12%
Other income	1,117	1,154	-3%
Total revenue	11,016	9,969	10%
Cost & operating expenses	(8,829)	(8,581)	3%
Profit from operations	2,187	1,388	58%
Finance income	-	-	-
Finance cost	(1,077)	(351)	207%
Profit before tax	1,110	1,037	7%
Income tax expense	-	-	N/A
Net profit for the period	1,110	1,037	7%
Net profit/ (loss) attributable to:			
Owners of the Company	1,131	1,036	9%
Non-controlling interest	(21)	1	-2085%
Net profit for the period	1,110	1,037	7%

Current quarter vs. Preceding Year Quarter

Group operating revenue increased by 12 percent to RM9.9 million from RM8.8 million recorded in the same period of the preceding year. This was mainly contributed by the new revenue stream from Pulp & Paper segment of Manufacturing Division which contributed RM4.47 million or 45 percent to the Group operating revenue. The increase was mitigated by lower sale of semi-finished fertiliser (Fermented EFB) of RM 1.9 million and the absent of RM1.31 million revenue from Osmocell Sdn Bhd as the company ceased to be the subsidiary of the Group's Utility & Renewable Energy division after the disposal in October 2022. The Printing & publishing recorded lower revenue by 7% due to the lower order secured from book store for student activities book "Buku Pendidikan Keselamatan Jalan Raya".

Group net finance cost increased by 207 percent as compared to the same quarter result of preceding year mainly due to Bank Pembangunan loan interest which commenced in April 2022.

Group recorded net profit of RM1.11 million, representing a 7 percent increase as compared to profit of RM 1.04 million recorded in the quarter of preceding year.

Group PATAMI ("Profit After Tax and Minority Interest/ Non-controlling Interest") of RM 1.13 million. Due to marginal increase, basic earnings per share (EPS) of the Group stood at 0.14 cent per share compared to 0.13 cent per share in same period of preceding year.

2. OPERATING DIVISION/ SEGMENT PERFORMANCE REVIEW
Current quarter vs. Preceding Year Quarter
Property & Construction

	Quarter and year-to-date ended		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
Operating revenue	-	-	N/A
Operating expenses	(721)	(669)	8%
Profit/ (loss) after tax	(730)	(672)	9%

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
2. OPERATING DIVISION/ SEGMENT PERFORMANCE REVIEW - Continued
Current quarter vs. Preceding Year Quarter
Property & Construction - Continued

The division suffered a loss of RM0.73 million for the current quarter which mainly attributable to the Ultimate Ivory Sdn Bhd, the developer of Green Technology Park. The other companies yet to commence its operation. There was no revenue recorded during the quarter under review and RM 0.72 million was incurred for administrative expenses during the quarter. Absent of revenue is the main driven factor for this result.

Printing & Publishing

	Quarter and year-to-date ended		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
Operating revenue	1,173	1,258	-7%
Other income	1,168	1,243	-6%
Operating expenses	(534)	(775)	-31%
Profit/ (loss) after tax	803	(477)	268%

The division result surged by 268 percent to record a profit of RM0.80 million from loss of RM 0.48 million recorded in the quarter of preceding year. In spite of the positive turnaround, the division operating revenue decreased by 7 percent from RM 1.26 million to RM 1.17 million due to lower customer order. Operating expenses for the current quarter decreased by 31 percent as compared to the same period a year ago due to the absent of one-off boxes and packaging printing expenses for the Group's flood relief donation to Paloh Hinai community.

Manufacturing

	Quarter and year-to-date ended		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
Operating revenue	8,948	6,360	41%
Operating expenses	(1,093)	(2,401)	-54%
Net finance cost	(962)	(215)	346%
Profit/ (loss) after tax	2,071	3,159	-34%

During the Q1FY2023, this division recorded profit of RM2.07 million, representing 34 percent decreased from the RM3.16 million profit recorded in Q1FY2022. It was mainly due to the higher finance cost incurred during the period arising from the commencement of Bank Pembangunan loan which saw an increase of 346 percent from RM0.22 million to RM 0.96 million. Pulp and paper manufacturing plant continue generating revenue for the division which recorded RM4.47 million for the Q1FY2023. As for fertiliser manufacturing segment, the income derived from sale of semi-finished fertiliser (Fermented EFB) contributed RM 4.48 million (Q1FY22: RM6.36 million) to the division. The other manufacturing segment such as animal feed, tissue paper and pulp mill are not yet in operation.

Utility & Renewable Energy

	Quarter and year-to-date ended		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
Operating revenue	-	1,314	-100%
Operating expenses	(3)	(384)	-99%
Profit/ (loss) after tax	(3)	10	-135%

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
2. OPERATING DIVISION/ SEGMENT PERFORMANCE REVIEW - continued
Current quarter vs. Preceding Year Quarter - continued
Utility & Renewable Energy - continued

No operating revenue was recorded in current quarter under review due the disposal of Osmocell Sdn Bhd in October 2022. The operating segment under this division such as renewable energy, biomass collection and processing center and utility management are still at planning stage.

Others

	Quarter and year-to-date ended		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
Operating revenue	24	25	-7%
Operating expenses	(950)	(905)	5%
Finance cost	(103)	(102)	1%
Profit/ (loss) after tax	(1,030)	(980)	5%

Operating revenue solely derived from management service fee charged by parent to subsidiary companies. However, this revenue was eliminated at the Group level. The parent company suffered a loss of RM1.02 million for the current quarter, a slightly increased as compared loss result in the same quarter of preceding year. It was mainly due to higher operating expenses particularly in travelling expenses.

The other operating segment under this division such forest management and carbon credit consulting services are still at planning stage.

3. MATERIAL CHANGES IN PERFORMANCE OF OPERATING SEGMENT CURRENT QUARTER'S RESULT COMPARED TO IMMEDIATE PRECEDING QUARTER
Comparative operating segment result

	Quarter and year-to-date ended		
	31.03.2023 RM'000	31.12.2022 RM'000	Changes %
Property & Construction	(730)	(900)	-19%
Printing & Publishing	803	(4,585)	-118%
Manufacturing	2,071	17,619	-88%
Utility & Renewable Energy	(3)	(12)	-75%
Other	(1,030)	(1,054)	-2%
Total	1,110	11,067	-90%
Intragroup profit elimination	-	(91)	N/A
Grand total	1,110	10,976	-90%

Material changes in performance was due to as follow:

- 1) One-off reversal of reversal of impairment on PPE of RM20.37 million incurred in immediate preceding quarter.
- 2) Recognition of allowance for expected credit loss on trade and other receivables
- 3) Increase operating revenue of manufacturing division from Fertiliser segment.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
4. COMMENTARY ON PROSPECTS AND TARGETS

The Group is confident that the commercial printing remains competitive in spite of the rise in digitalisation. Newly incorporated subsidiary Nextgreen Packaging (M) Sdn Bhd aims to penetrate the box and packaging segment in local market.

Our first Pulp & Paper manufacturing plant (“Phase 1A”) operated by Nextgreen Pulp & Paper Sdn Bhd (“NGPP”) with annual production capacity of 10,000 metric ton had commenced its operation in June 2022. The production activities are ongoing to fulfil the customers’ order as well as product samples from oversea potential customers. The Group is confident in expecting to conclude the offtake agreement from oversea customers in the near future.

The tissue paper production plant with capacity up to 10,000 metric ton a year is expected to commence its construction in early of Q3FY2023.

As for fertiliser segment, the Group had commenced the construction of fertiliser production plant with the annual capacity of 30,000 metric ton which is to be located within GTP. The plant will be operated by wholly owned subsidiary Nextgreen Fertilizer Sdn Bhd (“NGF”) to produce solid and liquid organic fertiliser by using the wastage from Phase 1A and Fermented EFB. The targeted completion of the construction work will be by the end of September 2023. The fertiliser segment will be expecting to contribute new stream of operating revenue to the Group’s coming Q4FY2023. The Group has also inked an MoU with National Farmers Organization (“NAFAS”) to explore the potential supply of fertiliser and the definitive agreement is expected to be conclude soon.

5. INCOME TAX EXPENSE

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

6. PROFIT FORECAST AND PROFIT GUARANTEE

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

7. DIVIDENDS

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

8. PROFIT BEFORE TAX

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

	Quarter and year-to-date ended	
	31.03.2023	31.03.2022
	RM'000	RM'000
Depreciation expense	1,255	673
Amortisation of Right-use-of asset	211	287
Unrealised gain on foreign exchange	(16)	-
Interest paid	1,077	330
Interest received	-	(1)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
9. LOAN, BORROWINGS AND DEBT SECURITIES

Group has not issued any debt securities and the Group loan and borrowings as at 31 March 2023 are as follows

	31.03.2023 RM'000 (Reviewed)	31.12.2022 RM'000 (Audited)
Secured, Denomination in Malaysia Ringgit.		
NON-CURRENT		
Term loan	58,596	58,596
Hire purchase	677	502
Term loan	182	182
	59,454	59,280
CURRENT		
Term loan	9,028	10,013
Hire purchase	165	151
Term loan	532	673
	9,725	10,837
TOTAL BORROWING	69,179	70,117
Gearing ratio	0.22 times	0.24 times

10. EARNINGS PER SHARE
Basic Earnings per share

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 and year-to-date ended	
	31.03.2023 RM'000	31.03.2022 RM'000
Profit/Profit attributable to owners of the Company (RM'000)	1,131	1,036
Weighted average number of shares issued ('000)	802,930	768,154
Basic earnings/ (loss) per share (sen)	0.14	0.13

Diluted earnings per Share

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 and year-to-date ended	
	31.03.2023 RM'000	31.03.2022 RM'000
Profit attributable to owners of the Company (RM'000)	1,131	1,036
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	802,930	768,154
Effect of dilution from:		
- Share-based payment (ESOS) ('000)	124	6,765
- Conversion of RCPS ('000)	94,167	90,223
Weighted average number of ordinary shares	897,221	865,142
Diluted earnings per share (sen)	0.13	0.12

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****11. GROUP MATERIAL LITIGATION**

As at 24 May 2023, 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 of 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 financial position or business of the Company or its subsidiaries.

12. AUTHORISATION TO ISSUE

The Condensed Report was authorised for release by the Board of Directors as per Board of Directors Meeting held on 31 May 2023.