



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2023**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Operating revenue	11,824	11,958	-1%	21,723	20,774	5%
Other income	1,109	1,386	-20%	2,226	2,540	-12%
Total revenue	12,934	13,344	-3%	23,949	23,314	3%
Administrative and direct cost	(10,709)	(12,369)	-13%	(19,538)	(20,950)	-7%
Profit from operations	2,225	976	128%	4,412	2,363	87%
Finance income	1	0	-	1	1	-
Finance cost	(1,045)	(591)	77%	(2,122)	(943)	125%
Profit before tax	1,181	384	207%	2,291	1,421	61%
Income tax expense	-	-	N/A	-	-	N/A
Net profit for the period	1,181	384	207%	2,291	1,421	61%
Net profit/ (loss) attributable to:						
Owners of the Company	1,204	446	170%	2,333	1,482	57%
Non-controlling interest	(23)	(61)	-63%	(43)	(60)	-30%
Net profit for the period	1,181	384	207%	2,291	1,422	61%

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Basic EPS	0.15	0.06	150%	0.29	0.19	53%
Diluted EPS	0.13	0.05	160%	0.25	0.17	47%

*Detail computation - Part B, note 11*
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR-TO DATE ENDED 30 JUNE 2022**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Net profit/ (loss) for the period	1,181	384	207%	2,291	1,421	61%
Other comprehensive income:						
Gain on foreign currency translation	400	1	>100%	443	65	>100%
Total comprehensive income/ (loss)	1,580	385	310%	2,734	1,487	84%
Total comprehensive income for the period attributable to:						
Owners of the Company	1,603	446	260%	2,776	1,547	79%
Non-controlling interest	(23)	(61)	-63%	(43)	(60)	-30%
Total comprehensive income/ (loss)	1,580	384	311%	2,734	1,487	84%

**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 30 JUNE 2023**

	As at 30.06.2023 RM'000 (Reviewed)	As at 31.12.2022 RM'000 (Audited)
<b>Non-current assets</b>		
Property, plant and equipment	132,258	133,743
Investment property	17,908	18,097
Intangible assets	500	500
Right-use-of assets	460	809
Investment in associates	10,181	10,181
Other investments	23	23
Inventories	158,144	157,570
Deferred tax assets	114	114
	319,589	321,037
<b>Current assets</b>		
Inventories	37,131	10,360
Trade receivables	22,683	24,054
Other receivables, deposits and prepayments	28,556	26,687
Tax recoverable	146	146
Fixed deposit with a licensed bank	-	5
Cash and bank balances	8,666	4,351
	97,182	65,603
<b>Non-current asset held for sales</b>	9,842	9,842
<b>Total assets</b>	426,613	396,482
<b>Equity</b>		
Share capital	295,104	266,385
Redeemable convertible preference shares	7,000	10,000
Reserve	1,025	(1,751)
Equity attributable to owners of the Company	303,129	274,634
Non-controlling interest	(234)	(189)
	302,895	274,445
<b>Non-current liabilities</b>		
Borrowings	66,596	58,596
Hire purchase liabilities	624	502
Lease liabilities	182	182
	67,401	59,280
<b>Current liabilities</b>		
Trade payables	22,861	19,140
Other payables and accruals	26,310	31,506
Tax payable	1,275	1,275
Borrowings	4,176	10,013
Hire purchase liabilities	173	151
Lease liabilities	307	673
Bank overdraft	1,215	-
	56,317	62,758
<b>Total liabilities</b>	123,718	122,037
<b>Total equity and liabilities</b>	426,613	396,482
<b>Net Asset per share (RM)</b>	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 30 JUNE 2023**

	Share capital RM'000	RCPS RM'000	Foreign currency reserve RM'000	Merger reserve RM'000	Share option reserve RM'000	Warrant reserve RM'000	Retained profit/ (loss) RM'000	Equity attributable to owners of the Company RM'000	Non- controlling interest RM'000	Total equity 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	-	-	-	-	-	-	2,333	2,333	(43)	2,291
Other comprehensive income	-	-	443	-	-	-	-	443	-	443
Total comprehensive income	-	-	443	-	-	-	2,333	2,776	(43)	2,734
Transactions with owners:										
Acquisition of subsidiary	-	-	-	-	-	-	-	-	(3)	(3)
Issuance of shares - ESOS	4,719	-	-	-	-	(880)	880	4,719	-	4,719
Issuance of shares - RCPS	24,000	(3,000)	-	-	-	-	-	21,000	-	21,000
Total transactions with owners	28,719	(3,000)	-	-	-	(880)	880	25,719	(3)	25,716
At 30 June 2023 (reviewed)	295,104	7,000	719	(16,833)	-	-	17,139	303,129	(234)	302,895
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 30 June 2022 (reviewed)	256,856	10,000	(27)	(16,833)	-	2,658	957	253,612	(276)	253,336

**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 30 JUNE 2023**

	Year-to-date ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
	(Reviewed)	(Reviewed)
Cash flows generated from/ (used in) operating activities		
Profit before tax	2,291	1,422
Adjustment for:		
Depreciation expense	2,523	1,908
Amortisation of Right-use-of asset	349	569
Reversal of allowance for Expected Credit Loss (ECL)	-	(51)
Unrealised gain on foreign exchange	(45)	(11)
PPE written off	-	3
Interest paid	1,045	943
Interest received	(1)	(1)
Operating profit before working capital changes	6,162	4,782
Changes in working capital:		
Increase in inventories	(12,888)	(27,644)
Increase in trade and other receivables	(453)	(7,855)
(Decrease)/ Increase in trade and other payables	(1,475)	10,518
	(14,816)	(25)
Cash used in operation activities	(8,655)	(20,199)
Interest paid	(1,045)	(943)
Interest received	1	1
Income tax refund	-	(12)
Income tax paid	-	97
Net cash used in operating activities	(9,699)	(21,056)
Cash flows used in investing activities		
Acquisition of property, plant & equipment	(829)	(2,812)
Construction work in progress	(14,023)	(8,297)
Acquisition of subsidiary, net cash acquired	(3)	-
Deposit paid for purchase of plant and equipment	-	(5,903)
Net cash used in investing activities	(14,855)	(17,012)
Cash flows generated from/ (used in) financing activities		
Proceed from:		
Term loan	8,000	44,980
Hire purchase	226	-
Issuance of share via private placement	-	3,787
Issuance of share via exercise of ESOS	4,719	-
Issuance of share via exercise of RCPS	21,000	-
Repayment of:		
Term loan	(5,837)	(2,177)
Hire purchase	(82)	(86)
Lease liabilities	(365)	(575)
Net cash flow generated from financing activities	27,661	45,929
Net increase/ (decrease) in cash and cash equivalents	3,112	7,860
Cash and cash equivalents at beginning of year	4,351	7,983
Effect of exchange rate changes	(11)	65
Cash and cash equivalents at end of period	7,452	15,908

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2023**

	Year-To-Date Ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
	(Reviewed)	(Reviewed)
Cash and cash equivalents at end of period comprise of:		
Cash and bank balances	8,666	16,020
Fixed deposit pledged with licensed bank	-	37
Overdraft	(1,215)	(112)
	<b>7,452</b>	<b>15,945</b>

**Note:**

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 30 JUNE 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 30 June 2023 are as follows:

**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 June 2023.

**11. CONTINGENT ASSET AND LIABILITIES**

There were no material changes in the contingent liabilities or contingent assets since the last annual reporting date.

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

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations during the quarter under review except the following:

- a) On 13 April 2023, Nextgreen Biomass Sdn Bhd (“NGBSB”), a wholly owned subsidiary acquired 65% share in GTC Biomass Berhad (“GTC Biomass”).

**13. SIGNIFICANT RELATED PARTY TRANSACTIONS**

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter and year-to-date ended 30 June 2023.

**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:

	30.06.2023 RM'000 (Reviewed)	31.12.2022 RM'000 (Audited)
<b>Capital expenditure – Property, Plant &amp; Equipment</b>		
Approved and contracted for	5,014	8,475



**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING**
**15. OPERATING REVENUE**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Printing services	903	1,137	-21%	1,519	2,407	-37%
Sales of books	864	-	100%	1,099	345	219%
Sales of land	-	9,539	-100%	-	9,539	-100%
Sales of goods	10,157	-	100%	19,105	6,360	200%
Construction contract revenue	-	1,282	-100%	-	2,483	-100%
	11,824	11,958	-1%	21,723	20,774	5%
Timing of revenue recognition						
- At a point of time	11,824	10,676	11%	21,723	18,291	19%
- Over time	-	1,282	-100%	-	2,483	-100%
	11,824	11,958	-1%	21,723	20,774	5%

**16. 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:

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

**16.1 Segmental operating revenue**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Property & Construction	-	9,539	-100%	-	9,539	-100%
Printing & Publishing	1,667	1,137	47%	2,618	2,392	9%
Manufacturing	10,157	-	100%	19,105	6,360	200%
Utility & Renewable Energy	-	1,282	-100%	-	2,483	-100%
Other	-	-	-	-	-	-
Total	11,824	11,958	-1%	21,723	20,774	5%

**16.2 Segmental administrative expenses**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Property & Construction	(966)	(613)	57%	(1,687)	(1,283)	32%
Printing & Publishing	(547)	(623)	-12%	(1,081)	(1,397)	-23%
Manufacturing	(1,013)	(2,171)	-53%	(2,106)	(4,572)	-54%
Utility & Renewable Energy	(8)	(439)	-98%	(12)	(823)	-99%
Other	(1,072)	(1,049)	2%	(2,022)	(1,954)	3%
Total	(3,605)	(4,895)	-26%	(6,907)	(10,029)	-31%
Consolidation adjustment	135	246	-	247	469	-
Grand total	(3,470)	(4,649)	-25%	(6,660)	(9,560)	-30%

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING**
**16. SEGMENTAL INFORMATION - continued**
**16.3 Segmental Profit/ (loss) after tax**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Property & Construction	(973)	4,993	-119%	(1,703)	4,320	-139%
Printing & Publishing	1,015	(935)	-209%	1,818	(1,411)	229%
Manufacturing	2,420	(2,458)	-198%	4,491	701	541%
Utility & Renewable Energy	(8)	(108)	-92%	(12)	(98)	-88%
Other	(1,123)	(1,103)	2%	(2,153)	(2,083)	3%
Total	1,331	388	243%	2,441	1,428	71%
Consolidation adjustment	(151)	(4)	-	(151)	(7)	-
Grand total	1,181	384	207%	2,291	1,422	61%

**16.4 Segmental assets**

	Non-current			Current		
	30.06.2023 RM'000	31.12.2022 RM'000	Changes %	30.06.2023 RM'000	31.12.2022 RM'000	Changes %
		Audited			Audited	
Property & Construction	159,564	174,881	-9%	73,410	37,984	93%
Printing & Publishing	30,216	32,740	-8%	26,000	14,810	76%
Manufacturing	116,392	124,275	-6%	52,338	27,255	92%
Utility & Renewable Energy	-	-	-	1	1,000	-100%
Other	130,237	159,164	-18%	217,604	179,653	21%
Subtotal	436,409	491,061	-11%	369,352	260,701	42%
Consolidation adjustment	(106,978)	(170,024)	-	(272,170)	(185,256)	-
Total	329,431	321,037	3%	97,182	75,445	29%

**16.5 Segmental liabilities**

	Non-current			Current		
	30.06.2023 RM'000	31.12.2022 RM'000	Changes %	30.06.2023 RM'000	31.12.2022 RM'000	Changes %
		Audited			Audited	
Property & Construction	300	353	-15%	187,364	166,930	12%
Printing & Publishing	174	174	0%	49,039	52,027	-6%
Manufacturing	100,770	102,421	-2%	79,436	25,341	213%
Utility & Renewable Energy	-	-	-	91	97	-6%
Other	11,718	11,718	0%	20,354	22,998	-11%
Subtotal	112,962	114,666	-1%	336,285	347,325	-3%
Consolidation adjustment	(45,561)	(55,386)	-	(279,968)	(284,567)	-
Total	67,401	59,280	14%	56,317	62,758	-10%

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**1. GROUP PERFORMANCE REVIEW**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Operating revenue	11,824	11,958	-1%	21,723	20,774	5%
Other income	1,109	1,386	-20%	2,226	2,540	-12%
Total revenue	12,934	13,344	-3%	23,949	23,314	3%
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Profit from operations	2,225	976	128%	4,412	2,363	87%
Finance income	1	0	-	1	1	-
Finance cost	(1,045)	(591)	77%	(2,122)	(943)	125%
Profit before tax	1,181	384	207%	2,291	1,421	61%
Income tax expense	-	-	N/A	-	-	N/A
Net profit for the period	1,181	384	207%	2,291	1,421	61%
Net profit/ (loss) attributable to:						
Owners of the Company	1,204	446	170%	2,333	1,482	57%
Non-controlling interest	(23)	(61)	-63%	(43)	(60)	-30%
Net profit for the period	1,181	384	207%	2,291	1,422	61%

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Basic EPS	0.15	0.06	150%	0.29	0.19	53%
Diluted EPS	0.13	0.05	160%	0.25	0.17	47%

**CURRENT QUARTER PERFORMANCE REVIEW**

The group's operating revenue experienced a slight 1 percent decrease, moving from RM11.96 million in the comparable period of the prior year to RM11.82 million. This change can be attributed to a combination of factors. Notably, a new revenue stream emerged from pulp and paper manufacturing, contributing RM8.76 million. Additionally, there was a significant RM1.4 million increase in revenue from the sale of semi-finished fertiliser (Fermented EFB). Furthermore, the Printing and Publishing segment demonstrated a notable 47% overall revenue increase from its printing services and book sales. Besides, there significant decrease in revenue from Property & Construction due to absence of sale of sub-divided land in GTP and Utility & Renewable Energy Division due to disposal of Osmocell in October last year.

Group net finance cost surged by 77 percent in comparison to the same quarter's results from the previous year. This increase was primarily driven by the interest on the Bank Pembangunan loan, which in line with full disbursement of RM48.9 million borrowing completed in September 2022. Group administrative declined due to the absence of one-off professional fee expenses as well as better GP margin in the current quarter as compared to the same quarter in preceding year mitigated the lower revenue and higher net finance cost. Overall, these factors collectively contributed to a stronger group performance in the current quarter when compared to the corresponding quarter of the preceding year.

PATAMI has been reported at RM 1.20 million, marking a substantial 170 percent increase when compared to the corresponding period in the previous year. This rise has led to the elevation of EPS to 0.15 cents per share, a notable change from the 0.06 cents per share recorded during the same period in the preceding year.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**1. GROUP PERFORMANCE REVIEW - continue**
**SIX MONTHS PERFORMANCE REVIEW**

The group's operating revenue experienced a modest rise of 5 percent in the initial half of the 2023 financial year. This increment elevated the revenue from RM20.77 million in the corresponding period of the preceding year to RM21.72 million. This improvement was predominantly propelled by two divisions: the Manufacturing division, which contributed 88 percent of the group revenue, and the Printing & Publishing division, which contributed the remaining 12 percent. During the period under review, the other operating division, namely Property & Construction, as well as Utility & Renewable Energy, did not generate any revenue for the Group. As a result, there was a revenue deficit amounting to RM12.02 million, representing a shortfall of RM9.54 million and RM2.48 million correspondingly in comparison to the corresponding period in the previous year.

During this period, the group experienced a significant 125 percent increase in its net finance cost compared to the same results from the first half of the previous year. This surge was primarily due to higher interest expenses resulting from the full disbursement of the RM48.9 million loan obtained from Bank Pembangunan in September 2022. On a positive note, the group's administrative expenses saw a modest 7 percent decrease. This was attributed to the absence of one-time charges related to professional fees linked to borrowing, as well as an improved gross profit margin for this period when compared to the same period in the previous year.

As a result of the various factors outlined earlier, the after-tax results experienced a remarkable 61 percent upswing, surging from RM1.42 million to RM2.29 million, when compared to the same period in the previous year. This enhanced after-tax performance also influenced the Profit After Tax and Minority Interest (PATAMI), which saw a substantial 57 percent increase, reaching RM2.33 million compared to the reported RM1.48 million in the corresponding period of the prior financial year. This positive result has caused a significant rise in Earnings Per Share (EPS) to 0.29 cents per share, which is a notable change from the 0.19 cents per share noted in the same period the previous year.

**2. OPERATING SEGMENT PERFORMANCE REVIEW**
**PROPERTY & CONSTRUCTION**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Operating revenue	-	9,539	-100%	-	9,539	-100%
Administrative expenses	(966)	(613)	57%	(1,687)	(1,283)	32%
(Loss)/ profit after tax	(973)	4,993	-119%	(1,703)	4,320	-139%

The division's revenue remains unrecorded in both the current quarter and the first half of the financial year 2023. Within this context, Ultimate Ivory Sdn Bhd faced a revenue shortfall of RM9.54 million for the GTP Project during these periods. This was due to the absence of sub-divided land sales, which were secured in the same periods of the previous financial year. As for the other operating companies in this division, they are yet to initiate their operations. These companies are currently incurring pre-operating expenses for the period under review. Notably, these expenses have increased by 57 percent and 32 percent, respectively. This rise is primarily attributed to the costs associated with a groundbreaking event in Kelantan, a collaborative initiative for the investment project involving Perbadanan Menteri Besar Kelantan ("PMBK") in Gua Musang, Kelantan.

The factors outlined earlier had played a significant role in the division's reported loss of RM0.97 million for the current quarter and RM1.7 million for the initial six months of this year. This is in contrast to the profits achieved during the same periods last year.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**2. OPERATING DIVISION/ SEGMENT PERFORMANCE REVIEW - continued**
**PRINTING & PUBLISHING**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Operating revenue	1,667	1,137	47%	2,618	2,392	9%
Other income	1,168	1,296	-10%	2,336	2,539	-8%
Administrative expenses	(547)	(623)	-12%	(1,081)	(1,397)	-23%
Profit/ (loss) after tax	1,015	(935)	-209%	1,818	(1,411)	229%

During the current quarter, revenue has surged by 47 percent to reach RM1.67 million, compared to RM1.14 million reported in the same period the previous year. Over the first six months of the financial year 2023, operating revenue reached RM2.62 million, marking a 9 percent increase compared to the corresponding period a year ago. This growth was primarily fueled by a substantial rise in the sales of the school activity book "Pendidikan Keselamatan Jalan Raya Darjah 5" ("PKJR"), which exhibited a remarkable 219 percent increase for the first six months of this year, totaling RM1.1 million. The printing services segment faced reduced revenue in both periods when compared to the same periods in the previous year, attributed to weaker demand in packaging and commercial printing.

The division's gross profit margin has experienced positive growth compared to the previous financial year, transitioning from a gross loss to a gross profit of 30% for the first half of the financial year 2023. This improvement can be attributed to a reduction in fixed overhead costs, including maintenance of machinery, electricity, and depreciation expenses.

The factors discussed earlier have had a substantial impact on the division's reported profits for the reviewed periods. This marks a notable turnaround, transitioning from losses in both corresponding periods of the previous year to profits of RM1.02 million and RM1.82 million, respectively.

**MANUFACTURING**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Operating revenue	10,157	-	100%	19,105	6,360	200%
Other income	30	179	-83%	68	179	-62%
Administrative expenses	(1,013)	(2,171)	-53%	(2,106)	(4,572)	-54%
Net finance cost	(931)	(467)	100%	(1,893)	(682)	178%
Profit/ (loss) after tax	2,420	(2,458)	-198%	4,491	701	541%

During the current quarter, the division achieved a revenue of RM10.16 million, and for the half-year of the 2023 fiscal period, it reached RM19.11 million, positively attributable to the pulp & paper and fertiliser manufacturing segment. This positive growth is significantly driven by the sales of pulp & paper products. To reiterate, the pulp and paper manufacturing segment commenced its commercial operations in June 2022 and initiated revenue generation in July 2022. During the current financial year, this segment has reported a net of intragroup revenue of RM8.76 million for Quarter 2 and RM13.23 million for the first half year.

As for the fertilizer segment, revenue of RM1.4 million was recorded which derived from sale of semi-finished fertilizer (Fermented EFB), which has emerged as a significant revenue contributor for the current quarter. During first six months of this year, the revenue experienced a slight decline of 8 percent to RM5.89 million from the RM6.36 million recorded in the same period a year ago. This decline attributable to a decrease in order quantity from customers.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**2. OPERATING DIVISION/ SEGMENT PERFORMANCE REVIEW – continued**
**MANUFACTURING**

In terms of administrative expenses, there was a remarkable decline of 53 percent and 54 percent for both reviewed periods compared to the previous year. This decrease can be largely attributed to the absence of one-time professional fee expenses related to borrowing, along with the costs incurred during the trial run period at the pulp and paper manufacturing plant.

Regarding net finance costs, the division underwent a substantial increase of more than 100 percent for both periods this year as compared to the results from the first half of the previous year. This upsurge was primarily driven by higher interest expenses linked to the loan secured from Bank Pembangunan. The RM48.9 million loan was fully disbursed in September 2022.

The other segments, including the liquid and solid fertiliser, animal feed and tissue paper manufacturing plant, have not yet initiated their operational activities.

With the significant impact of the new revenue stream from the pulp and paper manufacturing segment during the reviewed period, the division reported a profit of RM2.42 million for the current quarter and RM4.49 million in the first six months of this financial year. This marks a positive growth trajectory for the division as it moves forward.

**UTILITY & RENEWABLE ENERGY**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Operating revenue	-	1,282	-100%	-	2,483	-100%
Operating expenses	(8)	(439)	-98%	(12)	(823)	-99%
Profit/ (loss) after tax	(8)	(108)	-92%	(12)	(98)	-88%

There was no recorded operating revenue in the current quarter under review, primarily due to the disposal of Osmocell Sdn Bhd in October 2022. The operating segments within this division, such as renewable energy, biomass collection and processing center, and utility management, are currently in the planning stage and have not yet commenced operational activities.

**OTHERS**

	Quarter Ended			Year-To-Date Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Operating revenue	52	23	123%	75	48	56%
Operating expenses	(1,072)	(1,049)	2%	(2,022)	(1,954)	3%
Profit/ (loss) after tax	(1,123)	(1,103)	2%	(2,153)	(2,083)	3%

The operating revenue solely originated from management service fees imposed by the parent company on its subsidiary companies. Nevertheless, this revenue was nullified at the Group level. The parent company registered a loss of RM1.12 million for the current quarter and RM2.15 million for the six-month period of this year. This represents a slight uptick in comparison to the loss incurred during the same quarter of the prior year. The incremental loss is primarily ascribed to heightened operating expenses, notably in the travel expenses category.

In regards to the other operating segments within this division, such as forest management and carbon credit consulting services, these segments are still in the planning stage and have not yet commenced operational activities.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**2. MATERIAL CHANGES IN PERFORMANCE OF OPERATING SEGMENT CURRENT QUARTER'S RESULT COMPARED TO IMMEDIATE PRECEDING QUARTER**

	Revenue			Result		
	30.06.2023 RM'000	31.03.2023 RM'000	Changes %	30.06.2023 RM'000	31.03.2023 RM'000	Changes %
Property & Construction	-	-	-	(973)	(730)	33%
Printing & Publishing	1,667	950	75%	1,015	803	-26%
Manufacturing	10,157	8,948	14%	2,420	2,071	17%
Utility & Renewable Energy	-	-	-	(8)	(3)	137%
Other	-	-	-	(1,123)	(1,030)	9%
<b>Total</b>	<b>11,824</b>	<b>9,899</b>	<b>19%</b>	<b>1,331</b>	<b>1,110</b>	<b>20%</b>

Material changes in performance was due to as follow:

- 1) Increase in printing and sales of school activities book.
- 2) Increase in order and delivery quantity of paper product to the customer.
- 3) Increase in the administrative expenses pertaining to the groundbreaking event.

**3. COMMENTARY ON PROSPECTS AND TARGETS**

In the midst of the expanding digitalization trend, the Group remains resolute in its confidence in the competitive prowess of its commercial printing segment. A recently established subsidiary, Nextgreen Packaging (M) Sdn Bhd, is strategically focused on making inroads into the local box and packaging market. Simultaneously, the commercial printing and publishing segment remains dedicated to prioritizing its existing customer base. The operational entities are proactively nurturing collaborative partnerships with Bumiputera status companies to secure government printing contracts in the future.

The Group's pulp and paper manufacturing plant, managed by Nextgreen Pulp & Paper Sdn Bhd ("NGPP"), commenced its operations in June 2022. This facility, referred to as "Phase 1A," possesses an annual production capacity of 10,000 metric tons. Current production activities are effectively fulfilling customer orders and offering product samples to prospective clients, both domestically and internationally. The Group foresees the conclusion of additional orders from both new and established customers in the upcoming period.

As of August 16, 2023, the Group officially announced the initiation of trial run production for food-grade empty fruit bunch pulp moulding by Nextgreen Crowning Package Pulp Molding Sdn Bhd ("NGCP"). NGCP, established in July 2020 as a joint venture between NGGB and Crown Package Co. Ltd. from Japan, is dedicated to the production and distribution of pulp molding products crafted from empty fruit bunches, as well as the sale of packaging materials to Japan. The Group holds a strong belief that this venture will yield positive contributions to its overall performance in the times ahead.

In the realm of fertilizer manufacturing segment, the Group has embarked on the construction of a fertilizer production plant designed to accommodate an annual capacity of 30,000 metric tons. This plant, to be situated within GTP, will be operated by the wholly owned subsidiary Nextgreen Fertilizer Sdn Bhd ("NGF"). Its operations will encompass the production of solid and liquid organic fertilizer, utilizing waste from Phase 1A production as well as Fermented EFB. The construction of production plant is anticipated to be completed in Quarter 4 2023. This strategic initiative is projected to contribute to the Group's operating revenue subsequently.

Additionally, the Group has entered into a Memorandum of Understanding (MoU) with the National Farmers Organization (NAFAS) to explore potential arrangements pertaining to fertilizer supply. A formal agreement on this collaboration is expected to be established in the near future.

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**4. PROFIT BEFORE TAX**

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

	Quarter Ended		Year-To-Date Ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Depreciation expense	1,268	1,235	2,523	1,908
Amortisation of Right-use-of asset	138	282	349	569
Reversal of allowance for Expected Credit Loss (ECL)	-	(51)	-	(51)
Unrealised gain on foreign exchange	(29)	(11)	(45)	(11)
PPE written off	-	3	-	3
Interest paid	(32)	613	1,045	943
Interest received	(1)	-	(1)	(1)

**5. INCOME TAX EXPENSE**

No provision for tax has been made during the period 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. LOAN, BORROWINGS AND DEBT SECURITIES**

Group has not issued any debt securities and the Group loan and borrowings as at 30 June 2023 are as follows

	30.06.2023 RM'000 (Reviewed)	30.06.2022 RM'000 (Reviewed)
Secured, Denomination in Malaysia Ringgit.		
<b>NON-CURRENT</b>		
Term loan	66,596	45,640
Hire purchase	624	378
Lease	182	470
	67,401	46,488
<b>CURRENT</b>		
Borrowings	4,176	9,241
Hire purchase	173	108
Lease	307	744
Bank overdraft	1,215	112
	5,872	10,204
<b>TOTAL BORROWING</b>	<b>73,273</b>	<b>56,692</b>



**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**9. CAPITAL MANAGEMENT**

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies debt covenants and regulatory requirements. The gearing ratio at end of the reporting period are as follows:

	30.06.2023 RM'000 (Reviewed)	30.06.2022 RM'000 (Reviewed)
Borrowing	71,987	55,881
Hire purchase liabilities	797	486
Lease liabilities	1,215	1,216
Bank overdraft	489	112
	73,273	56,692
Less: Cash and Bank Balance	(8,666)	(16,020)
	65,821	40,522
Total equity	302,895	253,612
Gearing ratio (times)	0.22	0.16

There were no changes in the Group's approach to capital management during the financial period under review.

**10. SHARE CAPITAL**

	No of ordinary share		Amount	
	30.06.2023 Unit'000	30.06.2022 Unit'000	30.06.2023 RM'000	30.06.2022 RM'000
At beginning of period	787,154	762,944	266,385	253,070
Issuance of shares				
- Exercise ESOS	8,580	6,885	4,719	3,787
- Exercise RCPS	60,000	-	24,000	-
- Share issuance expenses	-	-	-	-
At end of the period	855,734	769,829	295,104	256,857

**11. EARNING 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 Ended		Year-To-Date Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Profit attributable to owners of the Company (RM'000)	1,204	445	2,333	1,482
Weighted average number of shares issued ('000)	815,210	768,991	815,210	768,991
Basic earnings per share (cent)	0.15	0.06	0.29	0.19

**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:

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**11. EARNING PER SHARE - continued**
**Diluted earnings per Share - continue**

	Quarter Ended		Year-To-Date Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Profit attributable to owners of the Company (RM'000)	1,204	445	2,333	1,482
Weighted average number of shares issued ('000)	815,210	768,991	815,210	768,991
<i>Effect of dilution from:</i>				
- Share-based payment (ESOS) ('000)	485	10,943	485	10,943
- Conversion of RCPS ('000)	99,822	113,747	99,822	113,747
Weighted average number of ordinary shares ('000)	915,517	893,681	915,517	893,681
Diluted earnings per share (cent)	0.13	0.05	0.25	0.17

**12. GROUP MATERIAL LITIGATION**

As at 23 August 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.

**13. AUTHORISATION TO ISSUE**

The Condensed Report was authorised for release by the Board of Directors as per Board of Directors Meeting held on 30 August 2023.