NEXTGREEN GLOBAL BERHAD

Registration No. 200501037512 (719660-W)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
for The Quarter and Year-To-Date Ended 30 June 2025

28 August 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE CURRENT QUARTER AND YEAR-TO-DATE ("YTD") ENDED 30 JUNE 2025

		Current quarter ended			Year to-date ended		
	Note	30/06/25 RM'000	30/06/24 RM'000	Chg %	30/06/25 RM'000	30/06/24 RM'000	Chg %
		(Reviewed)	(Reviewed)		(Reviewed)	(Reviewed)	
Operating revenue	15	20,733	21,410	-3	34,816	34,727	0.2
Cost of sales		(5,576)	(7,755)	-28	(11,140)	(15,300)	-27
Gross profit		15,157	13,655	11	23,676	19,427	22
Other income	16	2,214	1,171	89	5,540	2,635	>100
Operating expense							
Selling, distribution & promotion		(70)	-	40	(85)	(37)	>100
Employee salary & benefits		(1,720)	(1,535)	12	(3,251)	(3,034)	7
Other operating & administrative expenses		(3,276)	(984)	>100	(4,378)	(1,817)	>100
Impairment, depreciation & amortization		(808)	(734)	10	(1,633)	(1,405)	16
Operating expense		(5,874)	(3,253)	80	(9,347)	(6,293)	48
Profit from operations		11,497	11,573	-1	19,869	15,769	26
Finance income		1	3	-67	2	4	-50
Finance cost		(1,413)	(1,241)	14	(2,651)	(2,416)	10
Net finance cost		(1,412)	(1,238)	14	(2,649)	(2,412)	10
Profit before tax		10,085	10,335	-2	17,220	13,357	29
Taxation	5	-	-		-	-	
Net profit for the period		**10,085**	**10,335**	**-2**	**17,220**	**13,357**	**29**
Other comprehensive income, net of tax							
Items that are or may be reclassified subsequently to profit or loss							
Exchange translation differences for foreign operations		(414)	-3	>100	(415)	603	>-100
Total comprehensive income for the period		**9,671**	**10,332**	**-6**	**16,805**	**13,960**	**20**
Profit attributable to:							
Owners of the Company		10,114	10,341	-2	17,249	13,366	29
Non-controlling interest		-29	-6	>100	-29	-9	>100
Net profit for the period		**10,085**	**10,335**	**-2**	**17,220**	**13,357**	**29**
Total comprehensive income attributable to:							
Owners of the Company		9,700	9,729	-	16,834	13,969	21
Non-controlling interest		-29	603	>-100	-29	-9	>100
Total comprehensive income for the period		**9,671**	**10,332**	**-6**	**16,805**	**13,960**	**20**
Earnings per ("EPS") – Part B, Note 12							
Basic EPS		0.95	1.04	-8	1.62	1.35	20

Note: The above Unaudited Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	As at	
		30/06/25 RM'000 (Reviewed)	31/12/24 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		187,923	187,626
Investment property		23,456	23,451
Intangible assets		500	500
Right-of-use assets		511	982
Investment in associates		7,890	7,890
Other investments		23	23
Inventories	17	146,818	147,233
Deferred tax assets		912	912
		368,033	**368,617**
Current assets			
Inventories	17	102,384	94,101
Trade receivables		53,626	55,818
Other receivables, deposits and prepayments		82,068	50,676
Tax recoverable		1,914	1,015
Cash and bank balances		3,446	9,109
		243,438	**210,719**
Total Assets		**611,471**	**579,336**
EQUITY			
Share capital		415,839	411,489
Reserve		47,589	30,755
Equity attributable to owners of the parent		460,848	442,244
Non-controlling interest		280	309
Total equity		**463,708**	**442,553**
LIABILITIES			
Non-Current Liabilities			
Borrowings		76,907	58,509
Hire purchase liabilities		339	455
Lease liabilities		221	145
Deferred tax		2,574	2,574
		80,041	**61,683**
Current Liabilities			
Trade payables		23,626	35,806
Other payables and accruals		31,367	28,188
Borrowings		11,966	9,801
Hire purchase liabilities		241	235
Lease liabilities		523	1,071
		67,722	**75,100**
Total liabilities		**147,763**	**136,783**
Total Equity and Liabilities		**611,471**	**579,336**
Net asset per share attributable to owners of Company (Sen)		**43**	**43**

Note: The above Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2025

	Attributable to owners of the company							
	Non-distributable				distributable			
	Share capital RM'000	Redeemable convertible preference share RM'000	Foreign currency translation reserve RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 Jan 2025 (Audited)	411,489	-	417	(16,833)	47,171	442,244	309	442,553
Profit for the period	-	-	-	-	17,249	17,249	(29)	17,220
Other comprehensive loss, net of tax	-	-	(415)	-	-	(415)	-	(415)
Total comprehensive income	-	-	(415)	-	17,249	16,834	(29)	16,805
Transactions with owners:								
Issuance of shares via Private Placement	4,350	-	-	-		4,350	-	4,350
At 30 June 2025 (reviewed)	**415,839**	**-**	**2**	**(16,833)**	**64,420**	**463,428**	**280**	**463,708**
At 1 Jan 2024 (Audited)	327,504	2,950	203	(16,833)	24,092	337,916	(24)	337,892
Comprehensive income:								
Profit for the period	-	-	-	-	13,366	13,366	(9)	13,357
Other comprehensive income	-	-	603	-	-	603	-	603
Total comprehensive income	**-**	**-**	**603**	**-**	**13,366**	**13,969**	**(9)**	**13,960**
Transactions with owners:								
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-
Issuance of shares – RCPS	23,600	(2,950)			-	20,650	-	20,650
Issuance of shares – Private Placement	18,135	-				18,135		18,135
Total transactions with owners	**41,735**	**(2,950)**	**-**	**-**	**-**	**38,785**	**-**	**38,785**
At 30 June 2024 (Reviewed)	**369,239**	**-**	**806**	**(16,833)**	**37,458**	**390,671**	**(33)**	**390,638**

Note: The above Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR CURRENT AND YEAR-TO-DATE ENDED 30 JUNE 2025

	30/06/25 RM'000	30/06/24 RM'000
	(Reviewed)	(Reviewed)
Cash flows from/ (used in) operating activities		
Profit/(loss) before tax	17,220	13,357
Adjustments for:		
Depreciation	3,501	3,458
Amortisation of Right-Use-Asset	635	583
Reversal of impairment losses on receivables	-	(500)
Unrealised loss / (gain) on foreign exchange	68	(7)
Gain on disposal of plant and equipment	(14)	(482)
Finance income	(2)	(4)
Finance cost	2,650	2,416
Operating profit before working capital changes	**24,058**	**18,820**
Changes in working capital		
Inventories	261	1,726
Receivables	(27,650)	8,221
Payables	(9,009)	(3,049)
Cash (used in)/ generated from operations	**(12,340)**	**25,718**
Interest paid	(2,650)	(2,416)
Interest received	2	4
Income tax refund	-	-
Income tax paid	(900)	-
Net cash (used in) /generated from operating activities	**(15,888)**	**23,306**
Cash flows used in investing activities		
Acquisition of property, plant & equipment	(4,335)	(8,397)
Development work in progress (inventories)	-	(42,800)
Property development work in progress	(8,545)	-
Proceed from disposal of plant & equipment	541	-
Deposit paid for purchase of plant and equipment	(1,610)	(11,045)
Net cash used in investing activities	**(13,949)**	**(62,242)**
Cash flows used in financing activities		
Drawdown of bank borrowing	27,776	-
Drawdown of trade finance, net of repayment	1,840	391
Proceeds from Private Placement of shares	4,350	18,135
Proceeds from conversion of RCPS	-	20,650
Repayment of hire purchase	(111)	(119)
Repayment of bank loan	(9,059)	(2,868)
Payment of lease liability	(634)	(577)
Net cash generated from financing activities	**24,162**	**35,613**
Net increase in cash and cash equivalents	(5,675)	(3,323)
Cash and cash equivalents at beginning of year	9,109	5,805
Effect of exchange rate changes on the balance of cash and cash equivalents	12	393
Cash and cash equivalents at end of period	**3,446**	**2,875**
Cash and cash equivalent comprise the following:		
Cash and bank balances	4,940	4,375
Bank Overdraft	(1,494)	(1,500)

Note: The Above Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART A – EXPLANATORY NOTES PURSUANT TO 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, except for financial instruments and retirement benefit obligations, has been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 Financial Instruments, and retirement benefit obligations, including actuarial gains and losses, are recognised in accordance with MFRS 119 Employee Benefits.

The interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting, and paragraph 9.22 of the Bursa Malaysia Listing Requirements

It should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024. The explanatory notes attached to this Condensed Report provide explanations of events and transactions that are significant for understanding the changes in the financial position and performance of the Group since the financial year ended 31 December 2024.

2. ACCOUNTING POLICIES

2.1 Adoption of amendments to standards

The accounting standards adopted in the preparation of this Condensed Report are consistent with those applied in the preparation of the Group's audited financial statements for the financial year ended 31 December 2024, except for the adoption of the Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability, which was adopted at the beginning of the current financial period. This pronouncement does not have any material impact on the Group's financial statements for the current financial period.

2.2 Standards issued but not yet effectives

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.

The following new Standards and Amendments have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group:

Effective for financial periods beginning on or after 1 January 2026:

- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures
  - Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to MFRS Accounting Standards – Volume 11
- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures
  - Contracts Referencing Nature-dependent Electricity

Effective for financial periods beginning on or after 1 January 2027:
MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 Subsidiaries without Public Accountability: Disclosures
Effective date deferred (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 FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2024 was issued with an unmodified opinion.

4. COMMENTS ABOUT SEASONALITY OR CYCLICALITY OF OPERATIONS

The Group's performances are not materially affected by seasonal or cyclical changes.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 30 June 2025.

6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 30 June 2025.

7. DEBT AND EQUITY SECURITIES

During the current financial period, the Company issued 5,000,000 new ordinary shares at an issue price of RM0.87 per share via Private Placement. There was no other issuance, cancellation, repurchase, resale or repayment of equity or debt securities the current quarter and year-to- date ended 30 June 2025.

8. DIVIDEND PAID

There was no dividend paid in the current financial period under review.

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The carrying value of PPE reflects historical cost less accumulated depreciation; no fair value revaluation was performed during the period.

10. MATERIAL EVENT AFTER THE REPORTING PERIOD

a) On 9 July 2025, the Company completed the issuance of 13,545,000 new ordinary shares pursuant to the Private Placement exercise. The new shares were issued at RM0.78 per share, raising total gross proceeds of approximately RM10.56 million.

   Following this issuance, the issued share capital of the Company increased from 1,067,960,718 ordinary shares to 1,081,505,718 ordinary shares, representing an issued share capital of RM426,403,989.97.

11. CONTINGENT ASSET AND LIABILITIES

There were no changes in other contingent liabilities since the last annual audited financial statements as at 31 December 2024.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

12. CHANGES IN THE COMPOSITION OF THE GROUP

There have been no changes to the composition of the Group during the current quarter under review.

13. RELATED PARTY TRANSACTIONS

Parties are considered related to the Group include individuals or entities with significant influence, control, or joint control over the Group, as well as key management personnel and their close family members, or any entity in which these parties have a significant interest.

There were no significant related party transaction materially affected the financial statement of the Group. 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 2025.

The Audit, Risk and Governance Committee ("AGRC") of the Company reviews all related party transactions to ensure compliance with Bursa Malaysia's Main Market Listing Requirements, ensuring that such transactions are fair and reasonable and in the best interest of the Company.

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:

	As at	
	30/06/25 RM'000	31/12/24 RM'000
	(Reviewed)	(Audited)
Authorised and contracted for Property, plant and equipment	12,358	12,275

15. OPERATING REVENUE

	Quarter ended			Year to-date ended		
	30/06/25 RM'000	30/06/24 RM'000	+/- %	30/06/25 RM'000	30/06/24 RM'000	+/- %
	(Reviewed)	(Audited)		(Reviewed)	(Audited)	
Printing services	494	981	-50	1,077	2,425	-56
Sale of books	1	1	-	3	41	-92
Sale of pulp & paper products	2,409	4,674	-48	6,176	7,032	-12
Sale of liquid fertiliser	15,536	15,754	-1	24,402	25,229	-3
Construction contract revenue	2,293	-	100	3,158	-	100
	20,733	21,410	-3	34,816	34,727	0.2
Timing of revenue recognition						
- At a point of time	20,733	21,410	-3	34,816	34,727	0.2
- Over time	-	-		-	-	

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

16. OTHER INCOME

	Quarter ended			Year to-date ended		
	30/06/25 RM'000	30/06/24 RM'000	+/- %	30/06/25 RM'000	30/06/24 RM'000	+/- %
	(Reviewed)	(Reviewed)		(Reviewed)	(Reviewed)	
Sales of black liquor	2,096	49	>100	5,284	1,385	>100
Sale of printing waste	8	19	-58	56	58	-3
Sale of paper roll (for tissue)	-	11	-100	-	11	-100
Sale of fruits	-	2	-100	-	10	-100
Gain on disposal of PPE	2	482	-99	14	565	-97
Government grant	30	30	-	61	61	-
Recovery of Debts	7	500	-99	7	500	-99
Sundry	71	16	>100	118	45	>100
	2,214	**1,109**	**99**	**5,540**	**2,635**	**>100**

17. INVENTORIES

The group's inventories, consisting of property developments and manufacturing and trading activities, are categorized as both current and non-current assets, as detailed in the table below:

	Note	As at 30/06/25 RM'000	31/12/24 RM'000
		(Reviewed)	(Audited)
Non-current			
Property development cost	17.1 (a)	134,989	134,989
Land held for property development	17.1 (b)	11,829	12,244
		146,818	147,233
Current			
Land held for property development	17.1 (a)	1,999	1,999
Property development cost	17.1 (b)	96,539	85,996
Raw material		1,198	1,131
Work in progress		282	4,008
Trading products		18	19
Finished goods		2,348	948
		102,384	94,101

17.1 Property development

(a) Property development costs

Costs are determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses. These assets are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time. The amount largely attributable to GTP development project in Paloh Hinai, Pahang.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

17. INVENTORIES

17.1 Property development

(b) Land held for development

Land held for development consists of land held for future development activities where no significant development has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current assets and is stated at lower of cost and net realisable value. Property held for development are reclassified as current assets when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle. The amount represents a piece of land located in Republic of Palau translated to MYR at the closing rate on the reporting date. This land is own by Group's wholly-owned foreign subsidiary, BHS Palau Incorporation.

17.2 Manufacturing and trading

Inventories are stated at the lower of cost and net realisable value. Cost of raw material comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on first in first out basis. Cost of finished goods and work-in progress consists of direct material, direct labour and an appropriate proportion of production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

18. SEGMENT INFORMATION

Segment information is presented with respect to the Group's reportable segments which are based on the Group's management and internal reporting structure as follows:

- **Property & Construction**
  Green Technology Park developer, construction, and renovation work.

- **Printing & Publishing**
  Business in commercial, books and packaging printing services and book publisher.

- **Manufacturing**
  Manufacture EFB pulps and papers, fertilisers and animal feeds.

- **Utility & Renewable Energy**
  Treatment of raw and wastewater, collection and processing of oil palm waste, and trading of biodiesel.

- **Others**
  Investment holding, internal management services, forest management and carbon credit consulting services.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

19. SEGMENTAL REPORTING

19.1 RESULTS FOR QUARTER ENDED

	Property & Construction		Printing & Publishing		Manufacturing		Utility & Renewable Energy		Others		Consol adjustment & elimination		Consolidated	
	30/06/25 RM'000	30/06/24 RM'000	30/06/25 RM'000	30/06/24 RM'000	30/06/25 RM'000	30/06/24 RM'000	30/06/25 RM'000	30/06/24 RM'000	30/06/25 RM'000	30/06/24 RM'000	30/06/25 RM'000	30/06/24 RM'000	30/06/25 RM'000	30/06/24 RM'000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Revenue														
- External revenue	2,293	-	496	982	17,944	20,428	-	-	-	-	-	-	20,733	21,409
- Inter segment	-	1,259	-	-	-	-	-	-	1	20	(1)	(1,279)	-	-
	2,293	1,259	496	982	17,944	20,428	-	-	1	20	(1)	(1,279)	20,733	21,409
Cost of sales	(425)	(1,223)	(246)	(1,577)	(5,759)	(6,965)	-	-	-	-	854	-	(5,636)	(8,542)
Gross (loss) / profit	1,868	37	250	(595)	12,185	13,463	-	-	1	20	853		15,157	12,867
Other income	-	-	126	1,094	3,052	874	-	-	-	81	(964)	1,223	2,214	1,959
Selling, distribution & promotion	-	-	-	-	(70)	-	-	-	-	-	-	-	(70)	-
Employee salary & benefits	(296)	(230)	(147)	(246)	(575)	(264)	-	-	(702)	(795)	-	-	(1720)	(1,535)
Other operating & admin exp	(482)	(217)	(102)	(219)	(2,101)	(179)	(65)	(10)	(629)	(467)	103	108	(3,276)	(984)
Impairment, depr. & amort.	(142)	(141)	(113)	(123)	(436)	(353)	-	-	(117)	(117)	-	-	(808)	(734)
	(920)	(588)	(362)	(588)	(3,182)	(796)	(65)	(10)	(1,448)	(1,379)	103	108	(5,874)	(3,253)
(Loss) / Profit from operation	948	(550)	14	(89)	12,055	13,541	(65)	(10)	(1,447)	(1,278)	(8)	1,330	11,497	11,573
Net finance (cost)/ income	(63)	(11)	(5)	-	(1,127)	(953)	-	-	(223)	(275)	6	1	(1,412)	(1,238)
Profit before tax	885	(562)	9	(89)	10,928	12,588	(65)	(10)	(1,670)	(1,553)	(2)	1	10,085	10,335
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/ (loss) for the period	885	(562)	9	(89)	10,928	12,588	(65)	(10)	(1,670)	(1,553)	(2)	(40)	10,085	10,335

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

19. SEGMENTAL REPORTING- continued

19.2 RESULTS FOR YEAR-TO-DATE

	Property & Construction		Printing & Publishing		Manufacturing		Utility & Renewable Energy		Others		Consol adjustment & elimination		Consolidated	
	30/06/25 RM'000 (Reviewed)	30/06/24 RM'000 (Reviewed)	30/06/25 RM'000 (Reviewed)	30/06/24 RM'000 (Reviewed)	30/06/25 RM'000 (Reviewed)	30/06/24 RM'000 (Reviewed)	30/06/25 RM'000 (Reviewed)	30/06/24 RM'000 (Reviewed)	30/06/25 RM'000 (Reviewed)	30/06/24 RM'000 (Reviewed)	30/06/25 RM'000 (Reviewed)	30/06/24 RM'000 (Reviewed)	30/06/25 RM'000 (Reviewed)	30/06/24 RM'000 (Reviewed)
Revenue														
- External revenue	3,158	-	1,080	2,465	30,578	32,262	-	-		-	-	-	34,816	34,727
- Inter segment	-	1,259	-	3	-	173	-	-	1	49	(1)	(1,484)	-	-
	3,158	1,259	1,080	2,468	30,578	32,435	-	-	1	49	(1)	(1,484)	34,816	34,727
Cost of sales	(425)	(1,223)	(1,050)	(3,805)	(10,897)	(14,066)	-	-	-	-	1,232	(3,006)	(11,140)	(16,087)
Gross (loss) / profit	2,733	37	30	(1,337)	19,681	18,369	-	-	1	49	1,231	(4,490)	23,676	18,640
Other income	-	-	295	1,202	6,695	3,932	-	-	-	81	(1,450)	2,581	5,540	3,422
Selling, distribution & promotion	-	-	-	-	(85)	(37)	-	-	-	-	-	-	(85)	(37)
Employee salary & benefits	(596)	(473)	(203)	(504)	(1,010)	(507)	-	-	(1,442)	(1,549)	-	-	(3,251)	(3,034)
Other operating & admin exp	(744)	(343)	(336)	(329)	(2,232)	(421)	(89)	(17)	(1,181)	(936)	204	230	(4,378)	(1,817)
Impairment, depr. & amorti	(285)	(285)	(237)	(244)	(876)	(670)	-	-	(235)	(206)	-	-	(1,633)	(1,405)
	(1,625)	(1,101)	(776)	(1,077)	(4,203)	(1,636)	(89)	(17)	(2,858)	(2,691)	204	230	(9,347)	(6,293)
Profit from operation	1,108	(1,065)	(451)	(1,211)	22,173	20,665	(89)	(17)	(2,857)	(2,561)	(15)	2,811	19,869	15,769
Net finance (cost)/ income	(70)	(23)	(12)	(4)	(2,137)	(1,910)	-	-	(445)	(478)	15	4	(2,649)	(2,412)
Profit before tax	1,038	(1,088)	(463)	(1,216)	20,036	18,754	(89)	(17)	(3,302)	(3,038)	-	-	17,220	13,357
Taxation	-	-		-	-	-	-	-	-	-	-		-	-
Profit/ (loss) for the period	1,038	(1,088)	(463)	(1,216)	20,036	18,754	(89)	(17)	(3,302)	(3,038)	-	-	17,220	13,357
Assets & liabilities:														
Non-current assets	147,656	197,077	29,906	31,581	168,512	122,279	654	-	131,383	134,452	(110,078)	(116,772)	368,033	368,617
Current assets	146,569	67,222	22,541	22,061	119,369	104,269	1,002	289	309,847	270,749	(355,890)	(497,310)	243,438	210,719
Non-current liabilities	17,540	348	65	101	86,738	96,215	-	-	11,341	11,917	(35,643)	(46,898)	80,041	61,683
Current liabilities	232,121	220,748	47,662	48,927	92,249	61,320	905	412	16,693	14,937	(321,908)	(271,244)	67,722	75,100

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. GROUP'S FINANCIAL PERFORMANCE REVIEW

	Current quarter ended			Year to-date ended		
	30/06/25 RM'000	30/06/24 RM'000	+/- %	30/06/25 RM'000	30/06/24 RM'000	+/- %
Operating revenue	20,733	21,410	-3	34,816	34,727	0.2
Cost of sales	(5,576)	(7,755)	-28	(11,140)	(15,300)	-27
Gross profit	15,157	13,655	11	23,676	19,427	22
Other income	2,214	1,171	89	5,540	2,635	>100
Selling, distribution & promotional costs	(70)	(50)	40	(85)	(37)	>100
Employee salary & benefits	(1,720)	(1,536)	12	(3,251)	(3,034)	7
Other operating & administrative expenses	(3,276)	(932)	>100	(4,378)	(1,817)	>100
Impairment, depreciation & amortization expenses	(808)	(735)	10	(1,633)	(1,405)	16
Profit from operations	11,497	11,573	-1	19,869	15,769	26
Net finance cost	(1,412)	(1,238)	14	(2,649)	(2,412)	10
Profit before tax	10,085	10,335	-2	17,220	13,357	29
Income tax expense	-	-	-	-	-	-
Profit for the period	10,085	10,335	-2	17,220	13,357	29
Net profit attributable to owner of Company	10,114	10,341	-2	17,249	13,366	29
Basic EPS	0.95	1.04	-7	1.62	1.35	20

CURRENT QUARTER FINANCIAL PERFORMANCE

For the second quarter ended 30 June 2025 ("Q2 2025"), the Group recorded profit after tax attributable to owners of the Company (PATAMI) of RM10.11 million, compared to RM10.34 million in Q2 2024, a slight decrease of 2%. Operating revenue stood at RM20.73 million versus RM21.41 million in Q2 2024, representing a 3% decline. The liquid fertiliser segment remained the Group's largest contributor, although revenue was affected by seasonal delivery timing and softer sales volume. The Property & Construction Division contributed RM2.29 million (Q2 2024: RM1.25 million) from milestone-based project management fees under a tissue paper plant contract at the Group's Green Technology Park.

Cost of sales decreased by 28% to RM5.58 million (Q2 2024: RM7.76 million), supported by production efficiencies and the use of in-house by-products such as black liquor. Consequently, gross profit rose 11% to RM15.16 million, with margins significantly improved. Other income almost doubled to RM2.21 million (Q2 2024: RM1.17 million), arising mainly from black liquor sales, equipment disposal and minor recurring income. Operating expenses increased, with selling and distribution expenses at RM70,000 (Q2 2024: RM50,000), employee salaries and benefits up 12% to RM1.72 million, while other operating and administrative expenses increased to RM3.28 million, largely due to higher corporate costs and expenses associated with black liquor processing and marketing activities.

Profit from operations was RM11.50 million, broadly in line with Q2 2024. Net finance cost rose to RM1.41 million (Q2 2024: RM1.24 million), leading to profit before tax of RM10.09 million (Q2 2024: RM10.34 million). No income tax expense was recognised, consistent with Q2 2024, as the Group continued to benefit from tax incentives and the utilisation of unabsorbed allowances.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. GROUP'S FINANCIAL PERFORMANCE REVIEW

YEAR TO DATE FINANCIAL PERFORMANCE

For the six months ended 30 June 2025, the Group recorded PATAMI of RM17.25 million, representing a 29% increase compared to RM13.37 million in 1H 2024. Operating revenue amounted to RM34.82 million, broadly unchanged against RM34.73 million in the corresponding period. The liquid fertiliser segment continued to underpin performance, complemented by the Property & Construction Division's RM5.54 million contribution (1H 2024: RM2.64 million) from the tissue paper plant project.

Cost of sales decreased by 27% to RM11.14 million (1H 2024: RM15.30 million), reflecting efficiency gains in liquid fertiliser production and the in-house utilisation of by-products. This resulted in gross profit increasing by 22% to RM23.68 million (1H 2024: RM19.43 million). Other income more than doubled to RM5.54 million (1H 2024: RM2.64 million), arising from black liquor sales, asset disposals and recurring income from rental and government-related incentives.

Operating expenses increased in line with business activity, with selling and distribution at RM85,000 (1H 2024: RM40,000), employee salaries and benefits rising 7% to RM3.25 million, and other operating and administrative expenses higher at RM4.38 million (1H 2024: RM1.82 million), mainly due to costs related to black liquor sales and corporate expenses. As a result, profit from operations grew 26% to RM18.97 million (1H 2024: RM15.77 million). Net finance cost rose slightly to RM2.65 million (1H 2024: RM2.41 million), leading to a 29% increase in profit before tax to RM17.22 million (1H 2024: RM13.36 million), while PATAMI similarly improved to RM17.25 million.

2. OPERATING SEGMENT PERFORMANCE REVIEW

2.1 MANUFACTURING DIVISION

	Quarter ended			Year to-date ended		
	30/06/25 RM'000	30/06/24 RM'000	+/- %	30/06/25 RM'000	30/06/24 RM'000	+/- %
Operating revenue	17,944	20,428	-12	30,578	32,435	-5
Gross profit	12,185	13,463	-9	19,681	18,369	7
Other income	3,052	874	>100	6,695	3,932	70
Operating expenses	(3,182)	(796)	>100	(4,203)	(1,636)	>100
Net finance cost	(1,127)	(953)	18	(2,137)	(1,910)	12
Profit for the period	10,928	12,588	-13	20,036	18,754	7
GP margin	68%	66%	3	64%	57%	12

Note – The financial results are presented before the elimination of intragroup transactions

QUARTER FINANCIAL PERFORMANCE

The Manufacturing Division recorded a lower performance in Q2 2025, with operating revenue declining 12% to RM17.94 million compared to RM20.43 million in Q2 2024. This was mainly attributable to weaker sales in the pulp and paper segment, although liquid fertiliser continued to provide steady contributions. Gross profit decreased by 9% to RM12.19 million (Q2 2024: RM13.46 million), despite ongoing cost optimisation initiatives through the integrated use of black liquor by-products in fertiliser production.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

2. OPERATING SEGMENT PERFORMANCE REVIEW

2.1 MANUFACTURING DIVISION

QUARTER FINANCIAL PERFORMANCE

Other income rose significantly to RM3.05 million (Q2 2024: RM0.87 million), mainly contributed by higher black liquor sales. Operating expenses increased sharply to RM3.18 million (Q2 2024: RM0.80 million), driven by higher other operating and administrative costs associated with pulp operations. Net finance cost also increased 18% to RM1.13 million (Q2 2024: RM0.95 million), reflecting greater utilisation of bankers' acceptance facilities and term loan drawdowns to support working capital and operations.

Consequently, profit for the period decreased by 13% to RM10.93 million (Q2 2024: RM12.59 million). Nevertheless, the Division remained the Group's core revenue and profit contributor, underpinned by a strong gross profit margin of 68% (Q2 2024: 66%).

YEAR TODATE FINANCIAL PERFORMANCE

For the six months ended 30 June 2025, the Manufacturing Division recorded operating revenue of RM30.58 million, a 5% decrease from RM32.44 million in 1H 2024, due to softer pulp and paper sales. Despite this, gross profit improved 7% to RM19.68 million (1H 2024: RM18.37 million), supported by improved production efficiency and higher contribution from fertiliser operations through the use of black liquor by-products.

Other income increased 70% to RM6.70 million (1H 2024: RM3.93 million), also driven largely by black liquor sales. Operating expenses rose to RM4.20 million (1H 2024: RM1.64 million), mainly from higher other operating and administrative costs related to pulp operations. Net finance cost increased to RM2.14 million (1H 2024: RM1.91 million), in line with higher borrowings to fund working capital requirements.

As a result, profit for the period increased 7% to RM20.04 million (1H 2024: RM18.75 million). Gross profit margin strengthened to 64% (1H 2024: 57%), reflecting improved efficiency and better cost management across operations.

2.2 PROPERTY & CONSTRUCTION

	Quarter ended			Year to-date ended		
	30/06/25 RM'000	30/06/24 RM'000	+/- %	30/06/25 RM'000	30/06/24 RM'000	+/- %
Operating revenue	2,293	1,259	82	3,158	1,259	>100
Gross profit	1,868	37	>100	2,733	37	>100
Other income	-	-	-	-	-	-
Operating expenses	(920)	(587)	57	(1,625)	(1,101)	48
Net finance cost	(63)	(11)	>100	(70)	(23)	>100
Profit/ (loss) for the period	885	(562)	>100	1,038	(1,088)	>100

Note – The financial results are presented before the elimination of intragroup transactions

QUARTER FINANCIAL PERFORMANCE

The Property & Construction Division recorded operating revenue of RM2.29 million in Q2 2025, an 82% increase compared to RM1.26 million in Q2 2024. This reflected milestone-based project management fees recognised under a tissue paper plant construction contract awarded to the Division at the Group's Green Technology Park (GTP). The project is the Division's sole active third-party engagement and marks the commencement of revenue recognition under this contract.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

2. OPERATING SEGMENT PERFORMANCE REVIEW – continued

2.2 PROPERTY & CONSTRUCTION

QUARTER FINANCIAL PERFORMANCE

Gross profit for the quarter rose significantly to RM1.87 million (Q2 2024: RM0.04 million), in line with the recognition of project management income, net of related project costs. No other income was recorded in Q2 2025 or Q2 2024.

Operating expenses increased 57% to RM0.92 million (Q2 2024: RM0.59 million), mainly due to project planning activities and early-stage consultancy costs for upcoming GTP development phases and the proposed Gua Musang land development project. Net finance cost rose to RM0.06 million (Q2 2024: RM0.01 million).

Consequently, the Division posted a profit of RM0.89 million in Q2 2025 compared to a loss of RM0.56 million in Q2 2024. The turnaround was driven by the initial recognition of income from the external construction contract, which enabled better coverage of fixed overheads.

YEAR TODATE FINANCIAL PERFORMANCE

For the six months ended 30 June 2025, the Property & Construction Division recorded operating revenue of RM3.16 million, compared to RM1.26 million in 1H 2024, arising from project management services provided for the tissue paper plant contract at the GTP. Gross profit correspondingly improved to RM2.73 million (1H 2024: RM0.04 million), reflecting income recognised under the contract after deducting related project costs. No other income was recognised during the period.

Operating expenses rose to RM1.63 million (1H 2024: RM1.10 million), reflecting higher consultancy and project preparation costs for ongoing and future development projects. Net finance cost also increased to RM0.07 million (1H 2024: RM0.02 million).

As a result, the Division reported a profit of RM1.04 million in 1H 2025, compared to a loss of RM1.09 million in 1H 2024. The improvement was mainly attributable to the recognition of milestone-based project management income, which provided stronger coverage of fixed operating costs.

2.3 PRINTING & PUBLISHING DIVISION

	Quarter ended			Year to-date ended		
	30/06/25	30/06/24	+/-	30/06/25	30/06/24	+/-
	RM'000	RM'000	%	RM'000	RM'000	%
Operating revenue	496	982	-49	1,080	2,465	-56
Gross loss	(246)	(595)	-59	(1,050)	(1,337)	-21
Other income	126	1,094	-88	295	1,202	-75
Operating expenses	(362)	(588)	-38	(776)	(1,077)	-27
Net finance cost	(5)	0	100	(12)	(4)	100
Profit / (Loss) for the period	9	(89)	>100	(463)	(1,216)	-21

Note – The financial results are presented before the elimination of intragroup transactions

QUARTER FINANCIAL PERFORMANCE

The Printing & Publishing Division recorded revenue of RM0.50 million in Q2 2025, down 49% from RM0.98 million in Q2 2024, following the continued phasing out of external print jobs and the closure of non-profitable service lines. The Division achieved a marginal profit of RM0.01 million compared to a loss of RM0.09 million in Q2 2024, supported by cost rationalisation despite ongoing fixed overhead pressure.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

2. OPERATING SEGMENT PERFORMANCE REVIEW – continued

2.3 PRINTING & PUBLISHING DIVISION

YEAR TO DATE FINANCIAL PERFORMANCE

For the six months ended 30 June 2025, revenue declined 56% to RM1.08 million (1H 2024: RM2.47 million), consistent with the Group's restructuring of its printing operations. The Division posted a reduced net loss of RM0.46 million compared to RM1.22 million in 1H 2024, as tighter cost control helped offset the decline in revenue.

Although the Division continues to face structural challenges, Pustaka Sistem Sdn Bhd, holds the publishing rights for PKJR school activity books under the Ministry of Education (MOE) syllabus. Demand for PKJR books remains viable, with trial print runs currently outsourced to third parties at healthier margins of 30% to 40%. This outsourcing approach is more economical compared to in-house printing. Nevertheless, this segment is no longer expected to be a core growth driver and will gradually transition into serving as a distribution hub for the Group's end products for central region, while leveraging the sustained demand for PKJR publications.

2.4 UTILITY & RENEWABLE ENERGY DIVISION RESULT

	Quarter ended			Year to-date ended		
	30/06/25 RM'000	30/06/24 RM'000	+/- %	30/06/25 RM'000	30/06/24 RM'000	+/- %
Operating revenue	-	-		-	-	
Gross profit	-	-		-	-	
Other income	-	-		-	-	
Operating expenses	(65)	(10)	<100	(89)	(17)	<100
Net finance cost	-	-		-	-	
Loss for the period	(65)	(10)	<100	(89)	(17)	<100

Note – The financial results are presented before the elimination of intragroup transactions

The Utility & Renewable Energy Division remained dormant in Q2 2025 and 1H 2025, with no revenue contribution during the periods under review. Operating expenses were RM65,000 for the quarter (Q2 2024: RM10,000) and RM89,000 for the year-to-date (1H 2024: RM17,000), mainly from statutory compliance and preliminary consultancy costs. As a result, the Division recorded corresponding losses.

While currently dormant, the Division is incurring minimal preparatory costs in line with the Group's business development efforts for its first palm oil biomass processing centre, expected to commence operations in the medium term.

2.5 OTHER DIVISION RESULT

	Quarter ended			Year to-date ended		
	30/06/25 RM'000	30/06/24 RM'000	+/- %	30/06/25 RM'000	30/06/24 RM'000	+/- %
Operating revenue	1	20	-95	1	49	-98
Other income	-	81	-100	-	81	-100
Operating expenses	(1,448)	(1,379)	5	(2,858)	(2,691)	6
Net finance cost	(223)	(275)	-19	(445)	(478)	-6
Loss for the period	(1,670)	(1,553)	7	(3,302)	(3,038)	8

Note – The financial results are presented before the elimination of intragroup transactions

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

2. OPERATING SEGMENT PERFORMANCE REVIEW – continued

2.5 OTHER DIVISION RESULT

FINANCIAL PERFORMANCE
The Other Division, which comprises the parent company and subsidiaries not classified under Manufacturing, Property & Construction, Printing & Publishing or Utility & Renewable Energy, recorded minimal revenue of RM1,000 in Q2 2025 (Q2 2024: RM20,000) and nil other income (Q2 2024: RM81,000 from a one-off gain on disposal.

Operating expenses were RM1.45 million (Q2 2024: RM1.38 million), mainly professional fees and corporate costs. Net finance cost declined to RM0.22 million (Q2 2024: RM0.28 million) following partial loan repayments.

As a result, the Division posted a net loss of RM1.67 million in Q2 2025 (Q2 2024: RM1.55 million) and RM3.30 million for 1H 2025 (1H 2024: RM3.04 million), reflecting the absence of one-off income and continued Group-level corporate and financing expenses.

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

	Individual quarter ended		
	30/06/25 RM'000	31/03/25 RM'000	+/ - %
	(Reviewed)	(Reviewed)	
Operating revenue	20,733	14,083	47
Cost of sales	-5,576	-5,565	0
Gross profit	15,157	8,519	78
Oter income	2,214	3,326	-33
Operating expense	-5,874	-3,473	69
Profit from operations	11,497	8,371	37
Net finance cost	-1,412	-1,236	14
Profit before tax for the period	10,085	7,136	41

For the current quarter ended 30 June 2025 ("Q2 2025"), the Group recorded a profit before tax of RM10.09 million, an increase of 41% compared to RM7.14 million in the preceding quarter ended 31 March 2025 ("Q1 2025").

The improvement was mainly attributable to stronger contributions from the Manufacturing Division, which lifted operating revenue by 47% to RM20.73 million (Q1 2025: RM14.08 million). Gross profit rose 78% to RM15.16 million, with gross profit margin improving to 73.1% (Q1 2025: 60.5%), driven by improved cost efficiency, favourable input costs in the fertiliser segment, and a better product mix. Other income amounted to RM2.21 million compared to RM3.33 million in Q1 2025, reflecting lower demand for black liquor sales, which are recognised on a purchase order basis rather than under fixed contracts.

Other income amounted to RM2.21 million compared to RM3.33 million in Q1 2025, due to lower demand for black liquor sales, which are transacted on a purchase order basis rather than under regular contracts. Operating expenses increased to RM5.87 million (Q1 2025: RM3.47 million), in line with higher project-related and corporate costs, while net finance cost was slightly higher at RM1.41 million (Q1 2025: RM1.24 million).

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B – EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

4. COMMENTARY ON PROSPECTS AND TARGETS

The Group remains focused on strengthening its core manufacturing operations and driving long-term value creation through the progressive development of its flagship Green Technology Park (GTP) in Pekan, Pahang. With projects advancing across pulp and paper, fertiliser, animal feed and biomass, the Group anticipates sustained revenue and earnings growth over the medium term.

A key milestone was reached on 16 April 2025 with the signing of a Joint Venture Agreement between the Group's subsidiary, Nextgreen IOI Pulp Sdn Bhd, and Hong Kong Paper Source Co., Limited, a wholly owned subsidiary of Xiamen C&D Paper & Pulp Group Co., Limited. This led to the incorporation of Neuwhite Paper Pulp Sdn Bhd ("NWPP") on 29 April 2025, which will spearhead the development and operation of a 150,000 metric ton annual capacity bleached chemical empty fruit bunch (EFB) pulp mill under Phase 2A of the GTP. This project marks a major step forward in positioning the Group as a regional producer of sustainable pulp.

In the fertiliser segment, Nextgreen Fertilizer Sdn Bhd (NGF) is progressing towards completion of its 30,000 metric ton solid fertiliser facility, with final approvals for the Certificate of Completion and Compliance (CCC) underway. Trial production runs have commenced, with products packed and delivered for trial plots in Uzbekistan and Libya as well as for application in durian plantations in Raub. These trials are being carried out by potential customers as part of their evaluation process. At the same time, NGF is scaling up its liquid fertiliser production, with an automated facility scheduled for commissioning in Q4 2025. Once both facilities are operational, NGF will have a combined capacity of 60,000 metric tons annually. NGF has also signed a distribution agreement to supply up to 25,000 metric tons annually to the Libyan market, providing a ready export channel once customer trials are successfully concluded."

In the animal feed segment, Nextgreen Agrofeed Sdn Bhd has commenced groundwork for a facility with a planned annual capacity of 10,000 metric tons, with completion targeted by Q4 2025. This facility will diversify the Group's product offerings within the agro-industrial sector and is expected to provide an additional revenue stream.

Meanwhile, GTC Biomass Berhad, a 65%-owned subsidiary, is progressing the development of a nationwide network of 20 Collection and Processing Centers (CPCs) for palm biomass. The first CPC is under development within the GTP, with additional sites identified in Gua Musang, Kelantan, Segamat Johor and Sandakan, Sabah.

Complementing these initiatives, the Group has also embarked on a land optimisation exercise within the GTP to identify subdivided plots suitable for joint venture collaborations. This will support long-term tenancy growth and infrastructure investment, while further monetizing land assets within the park.

The Printing & Publishing Division continues to serve internal needs and niche customers, particularly through Pustaka Sistem Sdn Bhd, which holds the publishing rights for PKJR school activity books under the Ministry of Education syllabus. Demand for PKJR books remains viable, with trial print runs outsourced to third parties at margins of 30–40%, which is more economical compared to in-house printing. Nevertheless, this segment is no longer a core growth driver and will gradually transition towards becoming a distribution hub for the Group's end products, in line with the Group's strategic shift.

Looking ahead, the Group's prospects remain positive, supported by the commercialisation of new facilities, execution of strategic partnerships, and Malaysia's broader shift towards sustainability and the circular economy. These initiatives are expected to solidify the Group's position as a leading player in green manufacturing and industrial development, while delivering sustainable earnings and long-term shareholder value.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

5. PROFIT BEFORE TAX

Profit before tax has been determined after charging/ (crediting), amongst others, the following items: -

	Quarter ended		Year to-date ended	
	30/06/25 RM'000	30/06/24 RM'000	30/06/25 RM'000	30/06/24 RM'000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Depreciation expense	1,660	1,653	3,501	3,458
Amortisation of Right-Use-Asset	318	411	635	583
Reversal of impairment losses on receivables	-	(500)	-	(500)
Unrealised loss / (gain) on foreign exchange	55	53	68	(7)
Gain on disposal of plant and equipment	(2)	(482)	(14)	(482)
Finance income	(1)	(3)	(2)	(4)
Finance cost	1,413	1,241	2,650	2,416

6. INCOME TAX EXPENSE

There was no income tax expense recognised for the current quarter and year-to-date ended 30 June 2025. The absence of tax expense is primarily attributable to the following:

a) The utilisation of unabsorbed capital allowances and carried-forward business losses by certain subsidiaries.
b) Several subsidiaries of the Group are currently enjoying income tax exemption incentives under the East Coast Economic Region (ECER), as approved by the Malaysian Investment Development Authority (MIDA) as follow;

   i. **Ultimate Ivory Sdn Bhd**
   Granted a 10-year income tax exemption beginning from Year of Assessment 2017. Incentive granted under the Income Tax (Exemption) (No. 8) Order 2016 [P.U. (A) 161/2016] for statutory income derived from property development activities within the Green Technology Park (GTP).

   ii. **Nextgreen Fertilizer Sdn Bhd**
   Granted 100% income tax exemption for 10 years, commencing from the first year of statutory income generation. Incentive approved under P.U. (A) 159/2016, as amended by P.U. (A) 393/2018, for income derived from the production of organic and liquid fertilizers within the ECER.

   iii. **Nextgreen Pulp & Paper Sdn. Bhd.**
   Granted 100% income tax exemption for 10 years, commencing from the first year of statutory income generation. Incentive approved under P.U. (A) 159/2016 and P.U. (A) 393/2018, covering statutory income from the production of Empty Fruit Bunch Pulp (EFBP), Empty Fruit Bunch Pulp Woodfree Paper (EFBPWP), and Empty Fruit Bunch Packaging Paper (EFBPP) within the ECER.

These incentives are expected to continue providing tax savings to the Group over the respective exemption periods, thereby supporting future profitability and reinvestment

7. PROFIT FORECAST AND PROFIT GUARANTEE

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

8. GROUP MATERIAL LITIGATION

As at 23 May 2025, being seven (7) days prior to the date of this report, neither the Company nor any of its subsidiaries is involved in any litigation or arbitration proceedings, either as plaintiff or defendant, the outcome of which may have a material effect of 5% or more on the Group's net assets. The Board of Directors is also not aware of any pending or threatened proceedings, or of any circumstances that are likely to give rise to such proceedings, which may materially and adversely affect the financial position or business operations of the Company or its subsidiaries.

9. LOAN AND BORROWINGS

The Group has not issued any debt securities during the current quarter or financial period to date. As at the reporting date, the Group's outstanding secured loans and borrowings, denominated in Malaysian Ringgit (MYR), are as follows:

	As at	
	30/06/25 RM'000	31/12/24 RM'000
	(Reviewed)	(Audited)
Secured		
Non-current		
Term loans	76,907	58,509
Current		
Term loans	5,320	4,889
Bankers' acceptance	6,646	3,552
Bank overdraft	1,494	1,360
	13,460	9,801
Total borrowing	90,367	68,310

10. CAPITAL MANAGEMENT

The Group monitors its capital structure using a gearing ratio, consistent with its policy of maintaining a prudent level of financial leverage in compliance with debt covenants and regulatory requirements. There were no changes to the Group's capital management objectives, policies, or processes during the financial period under review.

The gearing ratio is calculated as net debt divided by total equity. At the conclusion of the reporting period under reviewed is as follows:

	As at	
	30/06/25 RM'000	31/12/24 RM'000
	(Reviewed)	(Audited)
Total borrowing (Part B, Note 9)	90,367	68,310
Hire purchase	580	691
Lease liabilities	744	1,215
	91,691	**70,216**
Less: Cash and Bank Balance	(3,446)	(9,109)
	88,245	61,107
Total equity	463,708	442,553
Gearing ratio (times)	**0.19**	**0.14**

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

11. SHARE CAPITAL

	No of ordinary share as at		Amount as at	
	30/06/25 Unit '000	31/12/24 Unit '000	30/06/25 RM'000	31/12/24 RM'000
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
Issued and fully paid				
At the beginning of period	1,062,961	936,734	411,489	327,504
Issuance of shares pursuant to Private placement	5,000	62,227	4,350	60,385
At the end of the period	1,067,961	1,062,961	415,839	411,489

5,000,000 new ordinary shares at an issue price of RM0.87 per share through a private placement exercise, raising total cash proceeds of RM4,350,000.00. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

12. 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:

	Current quarter ended		Year to-date ended	
	30/06/25 (Reviewed)	30/06/24 (Reviewed)	30/06/25 (Reviewed)	30/06/24 (Reviewed)
Profit attributable to owners of the Company (RM'000)	10,114	10,341	17,249	13,366
Weighted average unit of shares issued ('000)	1,067,961	993,157	1,067,961	993,157
Basic earnings per share (cent)	**0.95**	**1.04**	**1.62**	**1.35**

13. NET ASSET PER SHARE

The Group's net assets per share remain at 43 sen as reported in the audited financial statements as at 31 December 2024. The improvement was primarily attributable to retained earnings growth, driven by the Group's improved profitability in the current quarter.

14. AUTHORISATION TO ISSUE

The Condensed Consolidated Interim Financial Report for the quarter and year-to-date ended 30 June 2025 was authorised for release by the Board of Directors in accordance with a resolution passed at the Board meeting held on 28 August 2025.

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