NEXTGREEN GLOBAL BERHAD

Nextgreen Global Bherhad (Company No: 719660-W)
(Incorporated in Malaysia)

QUARTERLY REPORT
ON THE CONSOLIDATED RESULTS FOR THE SIXTH QUARTER ENDED 31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Period		Changes	Cumulative Period		Changes
	Current Year Quarter	Preceding Year Quarter	(%)	Current Year To Date	Preceding Year Corresponding Period	(%)
	3 Months Ended			18 Months Ended	12 Months Ended	
	1/10/2019 to 31/12/2019 RM'000	1/10/2018 to 31/12/2018 RM'000		1/7/2018 to 31/12/2019 RM'000	1/7/2017 to 30/6/2018 RM'000	
Revenue	12,683	8,410	51%	45,160	29,849	NA
Operating expenses	(37,851)	(9,778)	287.1%	(81,528)	(36,209)	NA
Other income	(623)	1,571	-140%	5,389	4,328	NA
Share in profit of associate	-	-	-	-	352	NA
Interest income	1	-	-	6	5	NA
Intrest expense	(62)	(91)	-32%	(458)	(340)	NA
Profit/(loss) before tax	(25,853)	112		(31,431)	(2,015)	
Income tax expense	(1,307)	-	-	(1,307)	244	NA
Net profit/(loss) for the period	(27,160)	112	-24350%	(32,738)	(1,771)	-
Other Comprehensive (loss)/Income:						
Foreign currency translation	-	-	-	343	(439)	NA
Total Comprehensive Income/(loss) for the period	(27,160)	112	NA	(32,395)	(2,210)	NA
Profit/(loss) attributable to :						
Owners of the Company	-	-	-	(32,395)	(2,210)	NA
Non-controlling interest	-	-	-	-	-	NA
Earnings per share attributed to owners of the Company:						
Basic EPS (Sen)	(5.91)	0.02		(7.05)	(0.41)	
Diluted EPS (Sen)	(5.91)	0.02		(7.05)	(0.41)	

Note:
The above condensed consolidated statements of profit or loss should be read in conjunction with the audited financal statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to these interim financial statements.

NEXTGREEN GLOBAL BERHAD

Nextgreen Global Bherhad (Company No: 719660-W)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/12/2019 RM'000 (Unaudited)	As at 30/06/2018 RM'000 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	52,511	41,400
Land held for development	-	6,372
Non-current assets held for sale	1,640	-
Intangible assets	500	500
Other investments	13	13
Other receivables	250	250
Deferred tax assets	165	1,472
Total non-current assets	55,079	50,006
Current assets		
Inventories	5,329	8,708
Property development costs	28,380	21,923
Trade receivables	14,991	15,302
Other receivables, deposits and prepayments	32,103	36,315
Tax recoverable	1,307	1,853
Cash and bank balances	1,473	586
	83,584	84,687
Total assets	**138,663**	**134,693**
Equity and liabilities		
Share capital	135,535	114,592
Reserves	(23,102)	3,896
Equity attributable to owners of the Company		
Non-controlling interest	-	-
Total Equity	112,432	118,487
Non-current liabilities		
Hire purchase liabilities	167	150
Term loan	5,100	5,147
Total non-current liabilities	5,267	5,298
Current liabilities		
Trade payables	10,748	5,162
Other payables and accruals	10,024	4,792
Short term borrowings	-	751
Hire purchase liabilities	191	204
Total current liabilities	20,963	10,909
Total equity and liabilities	**138,663**	**134,693**
Net assets per share attributable to	0.23	0.26

Note:
The above condensed consolidated statements of profit or loss should be read in conjunction with the audited financal statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to these interim financial statements.

NEXTGREEN GLOBAL BERHAD

Nextgreen Global Bhd (Company No: 719660-W)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Non-distributable								
	Share Capital RM' 000	Share Premium RM' 001	Foreign Currency Translation Reserve RM' 000	Merger Reserve RM'000	Treasury Shares RM'000	Warrant Reserve RM' 000	Distributable Retained Profits RM' 000	Non-controlling Interests RM' 000	Total RM' 000
As at 1 July 2017	114,592	4,964	122	(16,833)	(14,273)	16,855	11,357	-	116,784
Total comprehensive income for the period							(1,770)		(1,770)
Disposal of treasury shares	-	(2,166)	-	-	6,078	-	-	-	3,912
Acqusition of non-controlling interest	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	(439)	-	-	-	-	-	(439)
As at 30 Jun 2018	**114,592**	**2,798**	**(316)**	**(16,833)**	**(8,195)**	**16,855**	**9,587**	**-**	**118,487**
As at 1 July 2017	114,592	2,798	(316)	(16,833)	(8,195)	16,855	9,587	-	118,487
Total comprehensive income for the period	-		-	-	-	-	(32,738)	-	(32,738)
Transfer of share premium	1,843	(1,843)	-	-	-	-	-	-	-
Disposal of treasury shares	-	(955)	-	-	8,195	-	-	-	7,240
Issue of shares pursuant to private placement	19,100	-	343	-	-	-	-	-	19,443
As at 31 December 2019	**135,535**	**-**	**27**	**(16,833)**	**-**	**16,855**	**(23,151)**	**-**	**112,432**

Note:
The above condensed consolidated statements of profit or loss should be read in conjunction with the audited financal statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to these interim financial statements.

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Nextgreen Global Bhd (Company No: 719660-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended	
	31/12/2019 RM'000 (Unaudited)	31/12/2018 RM'000 (Audited)
Cash flow from operating activities		
Loss before tax	(31,431)	(2,015)
Adjustments for:-		
Allowance for doubtdful debts	-	282.283
Depreciation of property, plant and equipment	4,455	3,185
Unrealised loss/(gain) on foreign exchange	9	(129)
Equipment written off	8	-
Allowance for doubdful debts no longer required	(1,059)	(3,052)
Dividend income from from financial assets at fair value through profit or loss	-	(2)
Gain on disposal of a subsidiaries	(4,020)	(21)
Impairment loss on property development cost	7,780	
Impairment loss on deposits paid for purchase of plant and machinery	15,103	
Imapirment loss on trade receivables	5,316	
Gain on disposal of associate	-	(751)
Gain on disposal of plant, equipment and motor vehicle	(124)	(40)
Interest expense	458	340
Interest income	(6)	(5)
Operating profit before working capital changes	(3,510)	(2,207)
Decrease/(Increase) in inventories	3,379	54
(Increase)/decrease in development costs	(7,865)	(10,399)
(Increase)/decrease in trade and other receivables	(13,248)	10,236
Increase/(decrease) in trade and other payables	10,818	1,874
Cash (used in)/ generated from operations	(6,915)	1,765
Tax refund	(75)	93
Tax paid	621	(149)
Net cash (for)/ from operating activities	(9,879)	(499)
Cash flow from investing activities		
Acqusition of property, plant and equipment	(15,595)	(804)
Proceed from disposal of plant, equipment and motor vehicle	145	40
Proceed from disposal of subsidiaries	2,434	115
Dividend received	-	2
Disposal of land held for development	-	-
Deposits paid for purchase of land held for development	-	(2,120)
Fair value on non-current assets helod for sale	(1,640)	
Interest received	6	5
Net cash flow (used in)/ from investing activities	(14,651)	(2,761)
Cash flow from financing activities		
Net proceed from		
- foreign currency trade loan	-	2,721
- private placement	19,100	-
- disposal of treasury shares	7,240	3,912
Drawndown of hire purchase	317	-
Drawdown of term loan	5,100	-
Repayment of		
- foreign currenct trade loan		(2,984)
- hire purchase	(313)	(218)
- term loans	(5,911)	(681)
Repayment to a director	-	(52)
Interest paid	(458)	(340)
Net cash flow (used in)/ from financing activities	25,074	2,358
Net increase/ (decrease) in cash and cash equivalents	544	(902)
Effect of exchange translation difference	343	-
Cash and cash equivalents at beginning of the financial year	586	1,488
Cash and cash equivalents at end of the financial year	1,473	586

Note:

The above condensed consolidated statements of profit or loss should be read in conjunction with the audited financal statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to these interim financial statements.

Nextgreen Global Bhd (Company No: 719660-W)

Notes To The Interim Financial Report
For The Period Ended 31 December 2019

Part A: Explanatory Notes Pursuant to FRS 134

1 Basis of Preparation

The unaudited interim financial statements have been prepared and presented in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") No.134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited interim financial statements report should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the audited consolidated financial statements.

Change in Financial Year End

The Company announced on 30 August 2019 on the change of financial year end of the Company from 30 June 2019 to 31 December 2019. The change is made pursuant to a request from Koperasi Permodalan Felda Malaysia Berhad, a substantial shareholder of the Company on the ground of its intent to acquire additional interest of up to 10% of the Company's shares in the

As such, the current set of financial statements with the new financial year end are prepared for period of eighteen (18) months from 1 July 2018 to 31 December 2019. The Group's current interim period (6th interim) for the financial period ended 31 December 2019 was prepared for a 3-month period from 1 October 2019 to 31 December 2019.

Thereafter, the financial year ended shall end on 31 December for each subsequent year. The subsequent quarterly financial reporting period for the financial year ending 31 December 2020 are as follows:

Quarters for financial year ending 31 December 2020
1st Quarter - 1 January 2020 to 31 March 2020
2nd Quarter - 1 April 2020 to 30 June 2020
3rd Quarter - 1 July 2020 to 30 September 2020
4th Quarter - 1 October 2020 to 31 December 2020

Changes in Accounting Policies

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 – 2016 Cycle	Amendments to MFRS 12

The adoption of the Amendments to MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities. Other than that, the adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, new interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

	Effective dates for financial periods beginning on or after
MFRS 16 Leases	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9 Prepayment Features with Negative Compensation .	1 January 2019
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128 Long-term interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 – 2017 Cycle:	
Amendments to MFRS 3	1 January 2019
Amendments to MFRS 11	1 January 2019
Amendments to MFRS 112	1 January 2019
Amendments to MFRS 123	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	

Amendments to MFRS 13 Definition of a Business	1 January 2020
Amendments to MFRS 101 Definition of Material	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:
* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The initial application of the abovementioned MFRSs is not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement.*

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other profit or loss and other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other profit or loss and other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

Based on the analysis of the Group's and the Company's financial assets and liabilities as at 30 June 2018 on the basis of facts and circumstances that existed at that date, the Directors of the Group's and the Company have assessed the impact of MFRS 9 to the Group's and the Company's financial statements as follows:

(1) Classification and measurement

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics.

MFRS 9 contains three (3) principal classification categories for financial assets:
- Amortised Cost ("AC");
- Fair Value through Other Comprehensive Income ("FVOCI"); and
- Fair Value through Profit or Loss ("FVTPL").

The standard eliminates the existing MFRS 139 categories of Held-to-Maturity ("HTM"), Loans and Receivables ("L&R") and Available-for-Sale ("AFS").

Based on its assessment, the Group and the Company believe that the new classification requirements will have no material impact on the Group's and the Company's financial assets and financial liabilities.

Accordingly, the Group and the Company does not expect the new guidance to affect the classification and measurement of the above financial assets.

(2) Impairment

MFRS 9 replaces the "incurred loss" model in MFRS 139 with a forward-looking "expected credit loss" ("ECL") model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at AC or FVOCI, except for investment securities.

Under MFRS 9, loss allowances will be measured on either of the following bases:

12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; or

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not increased significantly. A financial asset's credit risk deemed not increased significantly if the asset has low credit risk at the reporting date. However, the Group and the Company have adopted lifetime ECL measurements for loans and receivables due to the expected lifetime period of loans and receivables are generally less than 12 months.

Based on the assessments undertaken to date, the Group and the Company do not expect the above new requirements to affect the classification and measurements of its financial assets and financial liabilities.

The Group and the Company will apply the new rules retrospectively from 1 July 2018, with the practical expedients permitted under the standard. Comparative for 2018 will not be restated.

(3) Hedge accounting

The Group and Company does not adopt hedge accounting in the Group's and the Company's financial statements. Hence, hedging requirements of MFRS 9 will not have any impact on the Group's and the Company's financial statements.

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in 2018 when the Company adopt MFRS 9. 2.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 Revenue, MFRS 111 Construction Contracts and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with the core principle by applying the following steps:

Identify the contracts with a customer;
(2) Identify the performance obligation in the contract;
(3) Determine the transaction price;
(4) Allocate the transaction price to the performance obligations in the contract;
(5) Recognise revenue when the entity satisfies a performance obligation.

The Group and the Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

Based on the assessment, the Group and the Company do not expect the application of MFRS 15 to have a significant impact on its consolidated financial statements. Consequently, its inventories are not expected to be significantly impacted.

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in 2018 when the Group and the Company adopt MFRS 15 and the Group and the Company have not finalised the testing and assessment of controls over its new accounting system.

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group and the Company do not expect the application of MFRS 16 to have a significant impact on its consolidated financial statements.

2 Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 30 June 2018 were not subject to any qualification.

3 Comments about Seasonality or Cyclicality of Operations

The business operations of The Group were not materially affected by seasonal or cyclical changes.

4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5 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.

6 Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter under review except the following:

	No of shares	RM
Private Placement 5th Tranche	3,000,000	1,200,000

7 Dividend Paid

There was no dividend paid in the current financial period to date.

8 Segmental Information

Results For The Quarter Ended

	3 months Ended													
	Printing and Publishing		Manufacturing		Property Development and Management		General Construction		Investment Holding		Eliminations		Total	
	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019	31/12/2018	31/12/2019 RM'000	31/12/2018 RM'000
Revenue	7,768	7,644	-	-	4,915	800	-	-	155	316	(155)	(351)	12,683	8,410
Net profit/(loss) for the period	(4,766)	(15)	(16,246)	-	(4,588)	127	4	-	(1,213)	-	(350)	-	(27,160)	112

Results For The Year Ended

	18 months Ended	12 months Ended	18 months Ended	12 months Ended	18 months Ended	12 months Ended	18 months Ended	12 months Ended	18 months Ended	12 months Ended	18 months Ended	12 months Ended	18 months Ended	12 months Ended
	Printing and Publishing		Manufacturing		Property Development and Management		General Construction		Investment Holding		Eliminations		Total	
	31/12/2019 RM'000	30/6/2018 RM'000	31/12/2019 RM'000	30/6/2018 RM'000	31/12/2019 RM'000	30/6/2018 RM'000	31/12/2019 RM'000	30/6/2018 RM'000	31/12/2019 RM'000	30/6/2018 RM'000	31/12/2019 RM'000	30/6/2018 RM'000	31/12/2019 RM'000	30/6/2018 RM'000
Revenue	40,485	26,905	-	-	5,715	2,995	-	-	810	543	(1,849)	(595)	45,160	29,849
Net profit/(loss) for the period	(9,510)	226	(18,123)	(713)	(5,775)	381	(59)	(144)	718	(1,226)	11	(296)	(32,738)	(1,771)

9 Valuation of Property, Plant and Equipment
There were no valuation of the property, plant and equipment in the current quarter under review.

10 Material Events Subsequent to the End of the Quarter
There were no material events between the end of the current quarter and the date of this report, which are likely to substantially affect the current quarter results under review.

11 Changes in the Composition of the Group
During the quarter under review, there is no change in the composition of the Group.

12 Contingent Liabilities
There were no changes in other contingent liabilities since the last annual financial statements as at 30 June 2018.

13 Capital Commitments
There were no material changes in capital commitments since the last annual financial statements as at 30 June 2018.

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1 Analysis of performance

The Group posted revenue of RM45 million for the year ended 31 December 2019. Printing and publishing business contributed revenue of RM39 million and consisted of local sales RM23 million and export sales RM16 million. Gross profit margin for the year ended 31 December 2019 increased to 5.5% as compared to -0.98% in FY2018. Gross profit margin increased was on account of a higher volume of sales that enable Company to offer cost-efficient solutions.

The property development and management business registered revenue of RM5.7 million resulting from gain from disposal of land in GTP

The Group recorded loss before tax of RM31.4 million for the year ended 31 December 2019. It was attributable to:-
a) The pre-operating expenses incurred in industrial park development of RM3 million.
b) The printing and publishing business made loss after tax of RM4.2 million due mainly to higher operating expenses such as distribution costs in line with higher sales.
c) Impairment loss on deposits paid for pulp and paper machineries of RM15 million.
d) Impairment loss on property development cost for factory of RM7.8 million.
e) Impairment loss on trade receivables of RM5.3 million.

It is partially offset by profit after tax of RM2.1 million in property development and managment business segment. Overall, the Group reported a loss after tax attributable to owners of the Company of RM32.7 million for the year ended 31 December 2019. The impairment on machineries and factory are no cashflow impact to the Group.

Due to the change of financial year end from 30 June 2019 to 31 December 2019, there are no comparetive figures presented for the 18 month periods ended 31 December 2019

2 Comparison With Preceding Quarter's Results

For the Quarter under review, the Group recorded revenue of RM12.7 million, an increased of RM4.3 million or 51% against 2Q FY2018. Property development and management business registered a higher revenue of RM4.1 milliom compared to RM800k in 2Q FY2018. The significant increase was mainly due to the disposal of 8.68 acres land in GTP Pekan amounted RM4.9 million.

The loss before tax of RM25.9 million in current Quarter was due to:-
a) Impairment loss on deposits paid for pulp and paper machineries of RM15 million.
b) Impairment loss on property development cost for factory of RM7.8 million.
c) Impairment loss on trade receivables of RM5.3 million.

Overall, the Group reported a loss after tax attributable to owners of the Company of RM27.2 million in current quarter.

3 Prospects

The Company anticipates more print orders to come into the next quarter and therefore, the sales are expected to be higher compared to the current quarter. In October 2019, the Company has made on a contract for book printed for Kementerian Pendidikan Malaysia. The total business amounted to RM3.2 million. The balance order of RM2.13 million will be delivered at the next quarter.

4 Profit Forecast and Profit Guarantee

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

5 Income Tax Expense

	3 months Ended		18 months Ended	12 months Ended
	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	30/6/2018 RM'000
Income Tax	-	244	-	244
Deferred tax	1,307	-	1,307	-
	1,307	244	1,307	244

No provison for tax has been made as the subsidiaries are making losses

6 The following items have been deducted/(credited) in arriving at the Net Profit:

	3 months Ended		18 months Ended	12 months Ended
	31/12/2019	31/12/2018	31/12/2019	30/6/2018
	RM'000	RM'000	RM'000	RM'000
Depreciation	736	779	4,455	3185
Net foreign exchange loss/(gain)				
- Realised	49	-	108	129
- Unrealised	239	27	9	(558)
Allowance for bad debts	-	282	-	282
Allowance for doubtful debts no longer required	10	-	(1,059)	(3,052)
Impairment loss on factory	7,780	-	7,780	-
Impairment loss on deposits paid for purchase of plant and machinery	15,103	-	15,103	-
Impairment loss on trade receivables	5,316	-	5,316	-

7 Group's Borrowings and Debt Securities
The Company's borrowing in the quarter under review as follows:

	As at 31/12/2019		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured	167	-	167
Hire Purchase	5,100	191	5,291
Term Loan	5,267	191	5,458

	As at 31/12/2018		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Hire Purchase	150	204	354
Term Loan	5,147	751	5,898
	5,298	954	6,252

8 Material Litigation

Neither the Company nor its subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant, which have a material effect on the financial position of the Company or its subsidiaries and the Board is not aware of any proceedings pending or threatened or of any acts likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

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

10 Earnings Per Share ("EPS")

Basic EPS is calculated by dividing net profit/(loss) attributable to ordinary equity holders by the weighted average number of ordinary shares in issue (excluding treasury shares) during the period.

	18 months Ended 31/12/2019 RM'000	12 months Ended 30/6/2018 RM'000
Profit attributable to the owners of the Company (RM'000)	(32,395)	(1,771)
Weighted average number of ordinary shares issued ('000)	459,513	433655
Basic EPS (sen)	**(7.05)**	**(0.41)**

11 Corporate Proposals

(a) The corporate exercise for rights issue together with free wanrrants was completed on 22 October 2015.

(b) Status of Utilisation of Proceeds

The Company raised total gross proceeds of RM41,640,984 from the Rights Issue.
The utilisation of proceeds is as follows:

	Proposed Utilisation	Actual utilised as at 21.11.19	Balance to be utilised	Extended to 22 Oct 19 For Utilisation
	RM'000	RM'000	RM'000	
Acquisition of land	7,000	7,000	-	
Purchase of plant & machinery & other ancillary facilities	33,641	33,641	-	Within 12 months
Estimated expenses in relation to the Corporate Exercises	1,000	1,000	-	
	41,641	41,641	-	

The Company raised total proceeds of RM9,585,000 from 1st and 2nd tranche of the private placement in March 19, raised total proceeds of RM8,600,000 from 3rd and 4th tranche of the private placement in July 19 and raised total proceeds of RM1,200,000 from the private placement.
The utilisation of proceeds is as follows:

	Proposed Utilisation	Actual utilised as at 21.11.19	Balance to be utilised	
	RM'000	RM'000	RM'000	
Payment for the land	6,758	-	6,758	
Infrastrucural and construction work	10,138	10,138	-	Within 12 months
Working capital for the Group	2,339	2,339	-	Within 12 months
Estimated expenses in relation to the Corporate Exercises	150	150	-	Immediate
	19,385	12,627	6,758	

12 Authorisation for Issue

The unaudited interim financial statements were authorised for issuance by the Board of Directors.