



NEXTGREEN GLOBAL BERHAD

[Registration No. 200501037512 (719660-W)]

**Condensed Consolidated Financial Statements
For The Quarter and Year-To-Date Ended 30 September 2021**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2021

| | Individual period | | | Cumulative period | | |
|---|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | 30.09.2021 RM'000 | 30.09.2020 RM'000 | Changes % | 30.09.2021 RM'000 | 30.09.2020 RM'000 | Changes % |
| | (Reviewed) | (Reviewed) | | (Reviewed) | (Reviewed) | |
| Operating revenue | 17,459 | 16,465 | 6% | 37,002 | 24,830 | 49% |
| Non operating revenue | 272 | 382 | -29% | 811 | 2,971 | -73% |
| Total revenue | 17,731 | 16,847 | 5% | 37,813 | 27,801 | 36% |
| Operating expenses | (15,943) | (10,932) | 46% | (35,920) | (21,304) | 69% |
| Profit from operations | 1,788 | 5,915 | -70% | 1,893 | 6,497 | -71% |
| Finance income | 3 | 1 | >100% | 7 | 2 | >100% |
| Finance cost | (462) | (255) | 81% | (1,268) | (763) | 66% |
| Profit before tax | 1,329 | 5,662 | -77% | 632 | 5,736 | -89% |
| Income tax expense | - | - | - | - | - | - |
| Net profit for the period | 1,329 | 5,662 | -77% | 632 | 5,736 | -89% |
| Net profit for the period attributable to: | | | | | | |
| Owners of the Company | 1,434 | 5,662 | -75% | 718 | 5,736 | -87% |
| Non-controlling interest | (105) | - | | (86) | - | |
| Net profit for the period | 1,329 | 5,662 | -77% | 632 | 5,736 | -89% |

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2021

| | Individual period | | | Cumulative period | | |
|---|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | 30.09.2021 RM'000 | 30.09.2020 RM'000 | Changes % | 30.09.2021 RM'000 | 30.09.2020 RM'000 | Changes % |
| | (Reviewed) | (Reviewed) | | (Reviewed) | (Reviewed) | |
| Net profit for the period | 1,329 | 5,662 | -77% | 632 | 5,736 | -89% |
| Other comprehensive income/ (loss): | | | | | | |
| Gain/(Loss) on currency translation | 58 | (211) | 127% | 281 | 106 | 163% |
| Total comprehensive income for the period | 1,387 | 5,451 | -75% | 913 | 5,842 | -84% |
| Total comprehensive income for the period attributable to: | | | | | | |
| Owners of the Company | 1,492 | 5,451 | -73% | 999 | 5,842 | -83% |
| Non-controlling interest | (105) | - | | (86) | - | |
| Total comprehensive income for the period | 1,387 | 5,451 | -75% | 913 | 5,842 | -84% |

| | Individual period | | Cumulative period | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 30.09.2021 Sen per share | 30.09.2020 Sen per share | 30.09.2021 Sen per share | 30.09.2020 Sen per share |
| | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) |
| Earnings per share attributable to the owners of the company* | | | | |
| - Basic | 0.21 | 1.05 | 0.11 | 1.07 |
| - Diluted | 0.15 | N/A | 0.08 | N/A |

*Note 9 of Part B

Notes:

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2020 and the accompanying notes to the Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

| | As at 30.09.2021 RM Reviewed | As at 31.12.2020 RM Audited |
|---|---|--|
| Non current assets | | |
| Property, plant and equipment | 68,966,431 | 69,265,556 |
| Intangible assets | 1,050,000 | 1,050,000 |
| Goodwill | 888,279 | - |
| Right-use-of assets | 1,647,437 | 801,028 |
| Other investments | 22,227 | 22,227 |
| Inventories | 6,606,454 | 6,338,219 |
| Deferred tax assets | 136,807 | 136,807 |
| Non current assets | 79,317,635 | 77,613,837 |
| Current assets | | |
| Inventories | 114,676,332 | 70,449,952 |
| Trade receivables | 22,782,125 | 12,852,102 |
| Other receivables, deposits and prepayments | 28,578,034 | 12,796,460 |
| Tax recoverable | 228,467 | 173,918 |
| Fixed deposit with a licensed bank | 167,246 | - |
| Cash and bank balances | 5,832,860 | 1,205,116 |
| Current assets | 172,265,064 | 97,477,548 |
| Total assets | 251,582,699 | 175,091,385 |
| Equity | | |
| Share capital | 230,601,250 | 171,566,160 |
| Redeemable convertible preference share | 10,000,000 | - |
| Reserve | (23,939,777) | (32,076,279) |
| Equity attributable to owners of the Company | 216,661,473 | 139,489,881 |
| Non-controlling interest | (378,052) | (61,507) |
| Total equity | 216,283,421 | 139,428,374 |
| Non current liabilities | | |
| Deferred tax liability | 9,005 | - |
| Hire purchase liabilities | 44,019 | 120,103 |
| Lease liabilities | 1,436,325 | 298,689 |
| Borrowings | 6,340,000 | 8,320,000 |
| Non current liabilities | 7,829,349 | 8,738,792 |
| Current liabilities | | |
| Trade payables | 9,777,160 | 9,382,968 |
| Other payables and accruals | 10,716,014 | 13,258,478 |
| Hire purchase liabilities | 176,005 | 78,989 |
| Borrowings | 6,334,881 | 3,680,000 |
| Lease liabilities | 266,602 | 522,011 |
| Tax payable | 317 | 1,773 |
| Bank overdraft | 198,950 | - |
| Current liabilities | 27,469,929 | 26,924,219 |
| Total liabilities | 35,299,278 | 35,663,011 |
| Total equity and liabilities | 251,582,699 | 175,091,385 |
| Net Asset per share (RM) | 0.30 | 0.23 |

Note:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2020 and the accompanying notes to the Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2021

| | Share capital | RCPS | Foreign currency translation reserve | Merger reserve | Share option reserve | Warrant reserve | Retained profit/ (loss) | Equity attributable to owners of the Company | Non-controlling interest | Total equity |
|--|--------------------|-------------------|--------------------------------------|---------------------|----------------------|-------------------|-------------------------|--|--------------------------|--------------------|
| | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| At 1 Jan 2021 (Audited) | 171,566,160 | - | (337,135) | (16,832,846) | - | - | (14,906,298) | 139,489,881 | (61,507) | 139,428,374 |
| Comprehensive income: | | | | | | | | | | |
| Profit for period | - | - | - | - | - | - | 717,872 | 717,872 | (85,854) | 632,018 |
| Other comprehensive income | - | - | 280,748 | - | - | - | - | 280,748 | - | 280,748 |
| Total comprehensive income | - | - | 280,748 | - | - | - | 717,872 | 998,620 | (85,854) | 912,766 |
| Transactions with owners: | | | | | | | | | | |
| Acquisition of subsidiary | - | - | - | - | - | - | - | - | (230,691) | (230,691) |
| Issue of shares via private placements | 54,771,043 | - | - | - | - | - | - | 54,771,043 | - | 54,771,043 |
| Issue of share via ESOS | 4,592,500 | - | - | - | - | - | - | 4,592,500 | - | 4,592,500 |
| Issuance of new RCPS | - | 10,000,000 | - | - | - | - | - | 10,000,000 | - | 10,000,000 |
| Share option granted | - | - | - | - | 6,281,172 | - | 856,710 | 7,137,882 | - | 7,137,882 |
| Share issue expenses | (328,453) | - | - | - | - | - | - | (328,453) | - | (328,453) |
| Total transactions with owners | 59,035,090 | 10,000,000 | - | - | 6,281,172 | - | 856,710 | 76,172,972 | (230,691) | 75,942,281 |
| At 30 September 2021 (reviewed) | 230,601,250 | 10,000,000 | (56,387) | (16,832,846) | 6,281,172 | - | (13,331,716) | 216,661,473 | (378,052) | 216,283,421 |
| At 1 Jan 2020 (Audited) | 135,678,442 | - | (214,076) | (16,832,846) | - | 16,854,684 | (35,989,593) | 99,496,611 | 30 | 99,496,641 |
| Profit for the period | - | - | - | - | - | - | 4,228,611 | 4,228,611 | (61,537) | 4,167,074 |
| Other comprehensive loss | - | - | (123,059) | - | - | - | - | (123,059) | - | (123,059) |
| Total comprehensive income | - | - | (123,059) | - | - | - | 4,228,611 | 4,105,552 | (61,537) | 4,044,015 |
| Transactions with owners: | | | | | | | | | | |
| Warrants expired | - | - | - | - | - | (16,854,684) | 16,854,684 | - | - | - |
| Issue of shares via private placements | 36,092,500 | - | - | - | - | - | - | 36,092,500 | - | 36,092,500 |
| Share issue expenses | (204,782) | - | - | - | - | - | - | (204,782) | - | (204,782) |
| | 35,887,718 | - | - | - | - | (16,854,684) | 16,854,684 | 35,887,718 | - | 35,887,718 |
| At 31 December 2020 (Audited) | 171,566,160 | - | (337,135) | (16,832,846) | - | - | (14,906,298) | 139,489,881 | (61,507) | 139,428,374 |

Note: The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2020 and the accompanying notes to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR TO DATE ENDED
30 SEPTEMBER 2021**

| | 30.09.2021 RM'000 | 30.09.2020 RM'000 |
|---|----------------------|----------------------|
| | (Reviewed) | (Reviewed) |
| Cash flows used in operating activities | | |
| (Loss)/ Profit before tax | 632 | 5,736 |
| Adjustment for: | | |
| Share option granted under ESOS | 7,138 | - |
| Depreciation | 2,035 | 1,906 |
| Amortisation of Right-Use-Assets | 803 | - |
| Reversal of allowance for ECL | (82) | (35) |
| Unrealised of (gain)/loss on foreign exchange | (105) | 58 |
| Gain on disposal of fixed asset | (129) | (140) |
| Interest on lease liability | 84 | - |
| Interest expense | 1,184 | 1,527 |
| Interest income | (7) | (3) |
| Operating profit before working capital changes | 11,554 | 9,049 |
| Increase in inventories | (42,996) | (18,539) |
| Increase in trade and other receivables | (17,849) | (14,539) |
| Decrease in trade and other payables | (4,082) | (6,106) |
| Cash used for operations | (53,373) | (30,116) |
| Income tax refund | - | 1,136 |
| Income tax paid | (23) | (3) |
| Net cash used in operating activities | (53,396) | (16,397) |
| Cash flows used in investing activities | | |
| Addition of property, plant & equipment | (1,671) | (195) |
| Proceeds from disposal of plant & equipment | 197 | 275 |
| Acquisition of subsidiary, net cash acquired | (329) | - |
| Deposit paid for purchase of plant and equipment | (6,856) | (1,700) |
| Placement of fixed deposit with maturity more than 3 months | (38) | (3) |
| Interest received | 7 | 3 |
| Net cash used in investing activities | (8,691) | (1,619) |
| Cash flows from financing activities | | |
| Proceed from: | | |
| -Term loan | 600 | 4,900 |
| -Private placement of share, net off share issuance cost | 54,443 | 26,808 |
| -Issuance of share under ESOS | 4,592 | - |
| -Issuance of RCPS | 10,000 | - |
| Repayment of: | | |
| -Trade finance | - | (330) |
| -Term loan | (1,191) | - |
| -Hire purchase liabilities | (150) | (144) |
| -Lease liability | (767) | - |
| -Interest on lease liability | (84) | - |
| -Interest paid | (1,184) | (1,527) |
| Net cash flow from financing activities | 66,259 | 29,707 |
| Net increase in cash and cash equivalents | 4,172 | (895) |
| Cash and cash equivalents at beginning of year | 1,205 | 1,423 |
| Effect of exchange rate changes | 257 | 81 |
| Cash and cash equivalents at end of period | 5,634 | 609 |

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2021 (Continued)

| | 30.06.2021 RM'000 (Reviewed) | 30.06.2020 RM'000 (Reviewed) |
|--|------------------------------------|------------------------------------|
| Cash and cash equivalents at end of period comprise of: | | |
| Cash and cash equivalents comprise of: | | |
| Cash and bank balances | 5,833 | 709 |
| Fixed deposits* | 167 | 58 |
| Bank overdraft | (199) | (100) |
| | 5,801 | 667 |
| *Fixed deposit pledged with licensed bank | (167) | (58) |
| Cash and cash equivalents at end of period | 5,634 | 609 |

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING****1. BASIS OF PREPARATION**

The Interim Financial Report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“BMSB”).

The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020. 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 2020.

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 2020, except for the following:

Effective for financial periods beginning on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2

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.

Effective for financial periods beginning on or after 1 April 2021

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

Effective for financial periods beginning on or after 1 January 2022

- Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds Before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020:
 - Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
 - Amendment to MFRS 9 Financial Instruments
 - Amendment to MFRS 141 Agriculture

Effective for financial periods beginning on or after 1 January 2023

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

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 impact on the financial statements of the Group.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING
3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements for the financial year ended 31 December 2020 were not subject to any qualification.

4. COMMENTS ABOUT SEASONALITY OR CYCLICALITY OF OPERATIONS

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

5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group during the current financial quarter under review, that are unusual by reason of their nature, size or incidence.

6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts which have a material effect on the results in the current quarter under review.

7. CHANGES IN DEBT AND EQUITY SECURITIES

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

- a) During the quarter under reviewed, a total of 8,350,000 new ordinary shares were issued pursuant to the exercise of the ESOS and a total 23,191,700 new ordinary shares were issues pursuant to the Private Placement.
- b) During the year ended 30 September 2021, a total 133,000,000 of new share were issued which comprises of 8,350,000 pursuant to ESOS and 124,650,000 pursuant to Private Placement.

Details of the issued and paid up capital of the Company as at 30 September 2021 are as follows:

| | Current quarter ended 30 September 2021 | | Year to-date ended 30 September 2021 | |
|---|--|--------------------|---|--------------------|
| | No of shares | Paid up (RM) | No of shares | Paid up (RM) |
| Beginning of period | 695,750,018 | 213,253,316 | 594,291,718 | 171,566,160 |
| New of shares issued pursuant to ESOS | 8,350,000 | 4,592,500 | 8,350,000 | 4,592,500 |
| New shares issued pursuant to Private Placement | 23,191,700 | 12,755,435 | 124,650,000 | 54,442,591 |
| End of period | 727,291,718 | 230,601,250 | 727,291,718 | 230,601,250 |

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 EVENTS SUBSEQUENT TO THE END OF THE QUARTER

There were no significant subsequent events after the end of the interim period to the date of this announcement, which will materially affect the earnings or income of the Group.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING
11. SEGMENTAL REPORTING
(a) Revenue and result
i) Current Quarter ended 30 September 2021

| | External revenue RM'000 | Inter segment revenue RM'000 | Total revenue RM'000 | Elimination RM'000 | Consolidated revenue RM'000 | Profit/(Loss) before tax (PBT) RM'000 |
|----------------------------|-------------------------------|---------------------------------------|----------------------------|-----------------------|-----------------------------------|--|
| Property & Construction | 15,295 | - | 15,295 | - | 15,295 | 8,659 |
| Printing & Publishing | 1,497 | 669 | 2,165 | (669) | 1,496 | (226) |
| Manufacturing | - | - | - | - | - | (963) |
| Utility & Renewable Energy | 668 | 38 | 706 | (38) | 668 | (343) |
| Investment Holding | - | 44 | 44 | (44) | - | (5,798) |
| Total | 17,459 | 751 | 18,210 | (751) | 17,459 | 1,329 |

ii) Year-To-Date Ended 30 September 2021

| | External revenue RM'000 | Inter segment revenue RM'000 | Total revenue RM'000 | Elimination RM'000 | Consolidated revenue RM'000 | Profit/(Loss) before tax (PBT) RM'000 |
|----------------------------|-------------------------------|---------------------------------------|----------------------------|-----------------------|-----------------------------------|--|
| Property & Construction | 29,016 | - | 29,016 | - | 29,016 | 14,883 |
| Printing & Publishing | 5,309 | 681 | 5,990 | (681) | 5,309 | (1,374) |
| Manufacturing | - | - | - | - | - | (3,606) |
| Utility & Renewable Energy | 2,677 | 38 | 2,715 | (38) | 2,677 | (243) |
| Investment Holding | - | 120 | 120 | (120) | - | (9,028) |
| Total | 37,002 | 839 | 37,841 | (839) | 37,002 | 632 |

(b) Assets & liabilities as at 30 September 2021

| | Non current assets RM'000 | Current assets RM'000 | Total assets RM'000 | Non current liabilities RM'000 | Current liabilities RM'000 | Total liabilities RM'000 |
|----------------------------|---------------------------------|-----------------------------|---------------------------|--------------------------------------|----------------------------------|--------------------------------|
| Property & Construction | 28,064 | 143,311 | 171,375 | 364 | 146,130 | 146,494 |
| Printing & Publishing | 36,883 | 27,413 | 64,296 | 410 | 52,402 | 52,812 |
| Manufacturing | 25,727 | 15,951 | 41,678 | 7,033 | 26,446 | 33,479 |
| Utility & Renewable Energy | 725 | 2,684 | 3,409 | 23 | 4,428 | 4,451 |
| Investment Holding | 228,372 | 41,120 | 269,492 | - | 5,681 | 5,681 |
| | 319,771 | 230,479 | 550,250 | 7,829 | 235,088 | 242,917 |
| Elimination | (240,453) | (58,214) | (298,667) | - | (207,618) | (207,618) |
| Consolidated | 79,318 | 172,265 | 251,583 | 7,829 | 27,470 | 35,299 |

12. CONTINGENT ASSET AND LIABILITIES

There were no changes in other contingent liabilities since the last annual audited financial statements as at 31 December 2020.

13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 30 September 2021.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

14. CAPITAL COMMITMENTS

Capital commitments for the purchase of property, plant and equipment not provided for in the Condensed Report at the end of the financial period under review are as follows:

| | 30.09.2021 RM'000 | 31.12.2020 RM'000 |
|-----------------------------|------------------------------------|------------------------------------|
| | (Reviewed) | (Audited) |
| Capital expenditure | | |
| Approved and contracted for | 12,517 | 23,546 |

15. RELATED PARTY TRANSACTIONS

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter and year-to-date ended 30 September 2021.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
1. GROUP PERFORMANCE REVIEW

| | Individual period | | | | Cumulative period | | | |
|----------------------------------|-----------------------|------------------------------|---------------|-------------|----------------------------|------------------------------|---------------|-------------|
| | Current quarter ended | Preceding year Quarter ended | Changes | | Current Year-to-date ended | Preceding Year-to-date ended | Changes | |
| | 30.09.21 | 30.09.20 | RM'000 | % | 30.09.21 | 30.09.20 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Operating Revenue | 17,459 | 16,465 | 995 | 6% | 37,002 | 24,830 | 12,172 | 49% |
| Non operating revenue | 272 | 382 | -111 | -29% | 811 | 2,971 | -2,160 | -73% |
| Total revenue | 17,731 | 16,847 | 884 | 5% | 37,813 | 27,801 | 10,012 | 36% |
| Operating expenses | (15,943) | (10,932) | 5,011 | 46% | (35,920) | (21,304) | 14,616 | 69% |
| Profit from operations | 1,788 | 5,915 | -4,127 | -70% | 1,893 | 6,497 | -4,604 | -71% |
| Finance income | 3 | 1 | 2 | >100% | 7 | 2 | 5 | >100% |
| Finance cost | (462) | (255) | -207 | 81% | (1,268) | (763) | -505 | 66% |
| Profit before tax | 1,329 | 5,662 | -4,333 | -77% | 633 | 5,736 | -5,103 | -89% |
| Income tax expense | - | - | - | - | - | - | - | - |
| Net profit for the period | 1,329 | 5,662 | -4,333 | -77% | 632 | 5,736 | -5,104 | -89% |

Q3FY2021 vs Q3FY2020

Operating revenue increased by 6% to RM17.46 million from RM16.47 million posted in same period in FY2020. In spite of higher revenue recorded as compared to same period in preceding year, the Group profit declined by 77% to RM1.33 million from RM5.66 million. The lower profit recorded for the quarter under reviewed due to higher operating expenses by 46%, increased in finance cost by 81% as well as lower contribution from non operating income by 29%. The accounting recognition of ESOS issuance cost of RM5.17 million for the share option accepted during the quarter under review contributed a significant impact. However, excluding those ESOS issuance cost, the **Group would have recorded a profit growth of 15% to RM6.5 million** as compared to RM5.66 million recorded in the same period of the preceding year.

CURRENT YEAR-TO-DATE vs PRECEDING YEAR-TO-DATE

Operating revenue surged by 49% to RM37 million as compared to y-o-y basis which shown an increase of RM12.17 million. The growth in operating revenue was mainly attributable to the sale of the sub-divided land in Green Technology Park ("GTP") as well as new stream of revenue from the newly acquired subsidiary, Osmocell Sdn Bhd ("Osmocell"). The Group able to close more sale of sub-divided land in GTP during the nine (9) month FY 2021 due generous enquiry from the investors who are keen to invest in upstream and downstream segment of the Pulp & Paper Industry.

In spite of strong revenue reported for the current year-to-date FY2021, the Group had posted lower profit by 89% as compared to the profit recorded of RM5.73 million in same period last year. The higher revenue was partly offset by the combination of the following factors:

- Increased in operating expenses by RM14.62 million which particularly attributable to the recognition of ESOS issuance cost, increased in pre-operating expenses incurred by manufacturing division as well as the additional operating expenses and cost of sales of newly acquired subsidiary.
- Increased in finance cost which derived from new operating lease and the bank loan of newly acquired subsidiary.

However, excluding the accounting treatment on the ESOS issuance cost, the Group would have recorded a profit of RM7.77 million which would demonstrate a significant growth in profit by 35.5%.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
2. OPERATING SEGMENT PERFORMANCE REVIEW
2A. REVENUE

| | Individual period | | | | Cumulative period | | | |
|----------------------------|-------------------|---------------|---------------|------------|-------------------|---------------|---------------|------------|
| | Current | Preceding | | | Current | Preceding | | |
| | quarter | year | Changes | | Year-to- | Year-to- | Changes | |
| | ended | Quarter | | | date | date | | |
| | 30.09.21 | ended | | | ended | ended | | |
| | RM'000 | 30.09.20 | RM'000 | % | 30.09.21 | 30.09.20 | RM'000 | % |
| Property & Construction | 15,295 | 14,328 | 967 | 7% | 29,016 | 19,243 | 9,773 | 51% |
| Printing & Publishing | 2,168 | 2,936 | -768 | -26% | 5,990 | 6,393 | -403 | -6% |
| Manufacturing | - | - | - | - | - | - | - | - |
| Utility & Renewable Energy | 706 | - | 706 | >100% | 2,715 | - | 2,715 | >100% |
| Investment Holding | 44 | 60 | -16 | -27% | 120 | 129 | -9 | -7% |
| Total revenue | 18,210 | 17,324 | 886 | 5% | 37,841 | 25,765 | 12,076 | 47% |
| Inter-segment elimination | -751 | -859 | | | -839 | -935 | | |
| Group revenue | 15,459 | 16,465 | -1,006 | -6% | 37,002 | 24,830 | 12,172 | 49% |

Property & Construction

Operating revenue posted at RM15.3 million for Q3FY2021 and RM29.0 million for cumulative quarter FY2021 which shown an increase of 7% and 51% respectively as compared to the same period last year. During the quarter under review, two (2) sub divided land with total land size approximately 19.5 acres were sold. As for nine (9) month periods FY2021, five (5) sub-divided land were sold as compared to three (3) in the same period a year ago. The division remains strong to drive the Group's revenue for the reporting period FY2021 which shown 78.4% of the YTD Group's revenue derived from this division.

Printing & Publishing

Revenue for the current quarter declined by 26% as compared to the same period last year. The lower revenue in current quarter was mainly due to the restraining order on the few economic activities during the MCO which caused the weaken demand for both commercial and box & packaging printing segment which demonstrated a decreased by 65% and 16% respectively as compared to Q3FY2020. Besides, the MCO was also caused the delivery of school textbook as schedule beforehand has been postponed by the MOE to a future date. Despite of the weaken demand in current quarter for both segment, the enormous demand on the essential healthcare products such as gloves and facemasks had driven to an increase in demand for box & packaging printing in year of 2021. The revenue of this segment jumped by 59% to RM3.92 million from RM2.47million last year. Conversely, the demand from commercial printing remain (books, magazines, leaflets, flyers) shown a decreased by 46% to RM2.14 million from RM3.97 million recorded in the same period in preceding year. This segment was undermined by a combination of declines in volumes as well as changes in customer order patterns during the covid-19 pandemic. The sales & promotional activities and delivery on commercial job printing are also being restrained during the MCO. Due to the combination factors of the above, overall revenue for the year-to-date ended 30 September 2021 dropped by 6% to RM5.99 million as compared to the same period a year ago.

Manufacturing

The division is yet to record any operating revenue from Pulp & Paper Making segment for both period under review in FY2021 as the pulp & paper manufacturing plant is yet to be completed. Due to MCO 3.0 taking place to contain the pandemic during the quarter under review, it has caused further delay for the completion and commissioning of the plant as the construction works at site has to be minimal.

Utility & Renewable Energy

The division has recorded revenue of RM0.71 million and RM2.72 million for both period under reviewed. There was no comparative figure available against the preceding year as it was solely attributable to the newly acquired subsidiary in FY2021

Investment Holding

The revenue for the parent was derived from management fee charged to its subsidiary companies. However, any revenue derived from its subsidiaries were not given any impact to the total Group's revenue as it will be eliminated at the Group level.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
3. OPERATING SEGMENT PERFORMANCE REVIEW – continue
2B. PROFIT / (LOSS) BEFORE TAX (PBT)

| | Individual period | | | | Cumulative period | | | |
|----------------------------|-----------------------|------------------------------|---------------|-------------|----------------------------|------------------------------|---------------|-------------|
| | Current quarter ended | Preceding year Quarter ended | Changes | | Current Year-to-date ended | Preceding Year-to-date ended | Changes | |
| | 30.09.21 | 30.09.20 | RM'000 | % | 30.09.21 | 30.09.20 | RM'000 | % |
| Property & Construction | 8,659 | 7,436 | 1,223 | 16% | 14,883 | 10,383 | 4,500 | 43% |
| Printing & Publishing | (226) | (379) | 153 | -40% | (1,374) | (2,811) | 1,437 | -51% |
| Manufacturing | (963) | (833) | -130 | 16% | (3,606) | (2,483) | -1,123 | 45% |
| Utility & Renewable Energy | (343) | - | -343 | >100% | (243) | - | -243 | >100% |
| Investment Holding | (5,798) | (562) | -5,236 | >100% | (9,028) | (647) | -8,381 | >100% |
| Total | 1,329 | 5,662 | -4,333 | -77% | 632 | 5,736 | -5,104 | -89% |

Property & Construction

In line with the high revenue, the division had posted a profit of RM8.86 million and RM14.88 for both period under review respectively. As noted earlier, bigger acreage of sub-divided land sold and higher selling price are the key factors for the higher profit recorded as compared to the same period on year-over-year basis.

Printing & Publishing

The division results are remain at loss position for both current quarter and cumulative period FY2021 due to the lower revenue. Despite of the lower revenue, the losses was partly offset by the saving in direct material, whereby the purchase of the paper has been reduce by way of utilizing the existing stock. Furthermore, the paper market price for the moment has been increased since the pandemic. Besides, the was also some saving in factory overhead due to lower such as utilities, direct labor and machineries maintenance due to low commercial printing activities during the year. Correspondingly, the division losses was decreased by 40% in the current quarter to RM0.27 million (Q3FY2020: RM0.38 million) and 51% for the first nine (9) months FY2021 to RM1.37 million (Q3FY2020: RM2.8 million) as compared to same period a year ago.

Manufacturing

As a result from no revenue recorded and higher operating expenses incurred, division recorded pre-operating loss in both periods. There was an increase in losses recorded as compared to the same period in preceding year. It was mainly due to significant increase in professional fee pertaining to the Phase 1A, increase in salary & related expenses due to additional number of headcount, increased in amortization of right-use-asset ("ROU") and lease interest on its new operating lease as well as increased in term loan interest, (3QFY2020: 8 months) as the interest commenced in Feb 20. The other segment such as fertilizer and animal feed production are still at the planning stage.

Utility & Renewable Energy

The division was at loss position in both periods. The other segments such as Biomass and Solar Energy yet to contribute any profit to the division as those segments are the upstream services to the whole GTP project which is now still at the planning and negotiating stage with relevant parties.

Investment Holding

As noted earlier, the parent company has incurred high expenses for both the current quarter and cumulative period under reviewed due to the recognition of ESOS issuance cost which contributed to the increased in losses on y-o-y basis.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
4. MATERIAL CHANGES IN PROFIT BEFORE TAX
3A. Group Performance

| | Quarter 3 | Quarter 2 | Changes | |
|---|---------------|----------------|--------------|-----------------|
| | FY 2021 | FY 2021 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % |
| Operating revenue | 17,459 | 10,592 | 6,867 | 65% |
| Non operating revenue | 272 | 228 | 44 | 19% |
| Total revenue | 17,731 | 10,820 | 6,911 | 64% |
| Operating expenses | (15,943) | (11,491) | 4,452 | 39% |
| Profit from operations | 1,788 | (671) | 2,459 | >100% |
| Finance income | 3 | 2 | 1 | 50% |
| Finance cost | (462) | (458) | 4 | 1% |
| Profit before tax | 1,329 | (1,127) | 2,456 | >100% |
| Income tax expense | - | - | - | - |
| Net profit/(loss) for the period | 1,329 | (1,127) | 2,456 | >100% |

3B. Division performance

| | Revenue | | | | Profit before tax (PBT) | | | |
|---------------------------------|---------------|---------------|--------------|------------|-------------------------|----------------|--------------|-----------------|
| | Quarter 3 | Quarter 2 | Changes | | Quarter 3 | Quarter 2 | Changes | |
| | FY 2021 | FY 2021 | RM'000 | % | FY 2021 | FY 2021 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Property & Construction | 15,295 | 7,187 | 8,108 | >100% | 8,659 | 3,382 | 5,277 | >100% |
| Printing & Publishing | 2,168 | 2,056 | 112 | 5% | (226) | (83) | -143 | >100% |
| Manufacturing | - | - | - | - | (963) | (1,685) | 722 | 43% |
| Utility & Renewable Energy | 706 | 1,361 | -655 | -48% | (343) | 7 | -350 | >100% |
| Investment Holding | 44 | 42 | 2 | 5% | (5,798) | (2,748) | -3,050 | >100% |
| Total before elimination | 18,210 | 10,646 | 7,564 | 71% | 1,329 | (1,127) | 2,456 | >100% |
| Inter-segment elimination | (751) | (54) | 697 | >100% | - | - | - | - |
| Group's Total | 17,459 | 10,592 | 6,867 | 65% | 1,329 | (1,127) | 2,456 | >100% |

Revenue surged by 65% (RM6.67million)

- Revenue attributed to Property & Construction increased by RM8.11 million due to bigger acreages of sub-divided land sold.
- Revenue attributed to Utility & Renewable Energy dropped by 48% due to the billing milestones was unable to meet due to restraint order during MCO 3.0 which would limit the work progress at site.

Operating expenses increased by 39% (RM4.45 million)

- Parent company had incurred higher ESOS issuance cost which recorded at RM5.17 million.

Profit before tax - positive turnaround

- Net profit attributed to Property & Construction division jumped more than double (RM5.28 million) due to higher selling price.
- Losses recorded by Manufacturing declined by 43% (RM0.78 million) due to the absent of one-off professional fee pertaining to Phase 1A.
- Utility & Renewable energy recorded negative turnaround where losses was recorded due to lower revenue.
- Parent company recorded huge loss due to higher ESOS issuance cost incurred which in line with the higher no of share options offered being accepted.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
5. COMMENTARY ON PROSPECTS

The Government's initiatives and intensified vaccination program have curtailed the spread of COVID-19 infections driving the nation towards the readiness for the endemic phase. The announcement of **National Recovery Plan (NRP)** which has been implemented by phases had eased the economic recovery progressively. As of now, all state except Kelantan & Sarawak at phase 4 of NRP which allowed all economic activities to operate at 100% capacity.

Printing & Publishing division is looking forward to resume sales & promotional activities as well as to complete the delivery which previously was on hold during the MCO to mitigate the shortcoming in the during first nine (9) month FY2021

The Group is looking forward positively on the commercialization first **Non-Wood Pulp & Paper Manufacturing Plant** which expected to start operation in Quarter 1 next year. The plant was designed to produce 10,000 MT of Wood Free Paper and 2,000 MT Unbleached Pulp for Premium Packaging Paper. With those capacity, the **division is expected to contribute annual profit of RM10 million to the Group**. Currently, the plant is at the final stage of the preparation to kick start the trial run which was scheduled in December 2021. The group is also looking forward to commence the construction work for **Fertilizer and Tissue Paper Production Plant** in coming financial year 2022.

Property & construction is continuously promoting the Green Technology Park to local and foreign industry player/ investor who are keen for new investment or business expansion in green technology. The Group had recently participated in Expo 2020 Dubai which was spearheaded by the Ministry of Science, Technology and Innovation (MOSTI) and organized by Malaysia Green Technology Corporation (MGTC) to promote the country's green technology industries to the global market. The division is expected to be able to attract foreign investment in coming years.

Utility and Renewable Energy division is also looking forward to resume the activities to overcome the shortcoming during the year and expected to be able to meet the progress milestones which has been on hold during the MCO.

6. PROFIT BEFORE TAX

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

| | Quarter Ended | | Year-To-Date Ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30.09.2021 RM'000 | 30.09.2020 RM'000 | 30.09.2021 RM'000 | 30.09.2020 RM'000 |
| Share option granted under ESOS | 5,168 | - | 7,138 | - |
| Depreciation | 654 | 588 | 2,035 | 1,906 |
| Amortisation of Right-Use-Assets ("ROU") | 310 | - | 803 | - |
| Reversal of allowance for ECL | - | (35) | (82) | (35) |
| Unrealised of loss/(gain) on foreign exchange | (23) | (88) | (105) | 58 |
| Gain on disposal of fixed asset | (120) | (140) | (129) | (140) |
| Interest on lease liability | 27 | - | 84 | - |
| Interest expense | 434 | 1,018 | 1,184 | 1,527 |
| Interest income | (3) | (2) | (7) | (3) |

7. INCOME TAX EXPENSE

No provision for tax has been made during the current quarter and Year-To-Date.

A subsidiary of the Company. Ultimate Ivory Sdn Bhd ("UISB") was granted East Coast Economic Region ("ECER") incentive by Malaysia Investment Development Authorities. By virtue of ECER, the statutory income of UISB from property development activities under Income Tax (exemption) (No.8) Order 2016/P.U 161/2016, Income Tax Act 1067 are exempted from income tax for period of 10 years commencing from first year of assessment of 2017.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
8. GROUP'S BORROWINGS AND DEBT SECURITIES

Group has not issued any debt securities and the Group borrowings as at 30 September 2021 are as follows

| | 30.09.2021 (Reviewed) | 31.12.2020 (Audited) |
|--------------------|--|---------------------------------------|
| Secured | | |
| NON CURRENT | | |
| Hire purchase | 44,019 | 120,103 |
| Term loan | 6,340,000 | 8,320,000 |
| Operating lease | 1,436,325 | 298,689 |
| | 7,820,344 | 8,738,792 |
| CURRENT | | |
| Hire purchase | 176,005 | 78,989 |
| Term loan | 6,334,881 | 3,680,000 |
| Operating lease | 266,602 | 522,011 |
| Bank overdraft | 198,950 | - |
| | 6,976,438 | 4,281,000 |
| Grand total | 14,796,782 | 13,019,792 |

Group's gearing ratio was stood at 0.07 times as of Year-To-Date ended 30 September 2021.

9. EARNINGS PER SHARE
a) Basic

Basic earnings per share is calculated by dividing net of tax profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the financial period under reviewed, excluding treasury shares held by the Company.

| | Quarter Ended | | Year-To-Date Ended | |
|--|---------------|-------------|--------------------|-------------|
| | 30.09.2021 | 30.09.2020 | 30.09.2021 | 30.09.2020 |
| Profit attributable to owners of the Company (RM'000) | 1,434 | 5,662 | 718 | 5,736 |
| Weighted average number of ordinary shares issued ('000) | 680,234 | 536,847 | 680,234 | 536,847 |
| Basic earnings per share (sen) | 0.21 | 1.05 | 0.11 | 1.07 |

b) Diluted

Diluted earnings per share is calculated by net of tax profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the financial period under reviewed plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

| | Quarter Ended | | Year-To-Date Ended | |
|--|----------------|----------------|--------------------|----------------|
| | 30.09.2021 | 30.09.2020 | 30.09.2021 | 30.09.2020 |
| Profit attributable to owners of the Company (RM'000) | 1,434 | 5,662 | 718 | 5,736 |
| Weighted average number of ordinary shares issued ('000) | 680,234 | 536,847 | 680,234 | 536,847 |
| <i>Effect of dilution from:</i> | | | | |
| Assumed exercise of ESOS ('000) | 61,220 | - | 61,220 | - |
| Assumed exercise of RCPS ('000) | 200,000 | | 200,000 | |
| | 941,454 | 536,847 | 941,454 | 536,847 |
| Diluted earnings per share (sen) | 0.15 | N/A | 0.08 | N/A |

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**PART B - EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****10. PROFIT FORECAST AND PROFIT GUARANTEE**

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

11. DIVIDENDS

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

12. GROUP MATERIAL LITIGATION

As at 18 November 2021, being 7 days prior to the date of this report, neither the Company nor its subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant, which have the value 5% of the Group's net assets. Board is not aware of any proceedings pending or threatened or of any acts likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

13. REVIEW BY EXTERNAL AUDITORS

The Board had engaged the external auditors to review and report on the Condensed Report of Nextgreen Global Berhad for the quarter and year-to-date ended 30 September 2021 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The external auditors reported to the Board that nothing had come to their attention to cause them to believe that the Condensed Report was not prepared, in all material respects, in accordance with the MFRS 134 Interim Financial Reporting and IAS 34 Interim Financial Reporting. The report was made to the Board in accordance with the terms of the engagement letter with the external auditors and for no other purpose.

14. AUTHORISATION TO ISSUE

The Condensed Report were authorised for release by the Board of Directors as per Board of Directors Meeting held on 25 November 2021.