

NEXTGREEN GLOBAL BERHAD

[Registration No. 200501037512 (719660-W)]

(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF NEXTGREEN GLOBAL BERHAD (“THE COMPANY” OR “NGGB”) HELD AT PERDANA BALLROOM, BUKIT JALIL GOLF & COUNTRY RESORT, JALAN JALIL PERKASA 3, BUKIT JALIL, 57000 KUALA LUMPUR, W.P. KUALA LUMPUR ON FRIDAY, 13 MARCH 2026 AT 10.00 A.M.

- Present : Board of Directors
Dato’ Dr Haji Sohaimi Bin Shahadan (“Dato’ Dr Haji Sohaimi”) (Independent Non-Executive Chairman)
Dato’ Lim Thiam Huat (“Dato’ Lim”) (Managing Director)
Dr. Lim Kah Yen (“Dr. Kelly”) (Executive Director)
Dato’ Mohd Yusof Bin Din (“Dato’ Yusof”) (Non-Independent Non-Executive Director)
Mr. See Cherng Jye (“Mr. CJ”) (Non-Independent Non-Executive Director)
Mr. Teh Chau Chin (Mr. Teh”) (Independent Non-Executive Director)
Madam Maylee Gan Suat Lee (“Madam Maylee”) (Independent Non-Executive Director)
Datuk Rawisandran A/L Narayanan (“Datuk Rawi”) (Independent Non-Executive Director)
- Absent with Apologies : Ms. Lim Kah Yee (“Ms. Megan”) (Executive Director)
- In Attendance : Mr. Tan Tong Lang (Company Secretary)
- By Invitation : Encik Wan Noor Azhan Bin Shahruddeen (“En. Wan”) – Group Financial Controller
- Shareholders/Proxis : As per Attendance List

1.0 CHAIRMAN

- 1.1 Dato’ Dr Haji Sohaimi (“the Chairman”) presided the EGM of the Company and extended a warm welcome to all the attendees to the EGM of the Company.

2.0 QUORUM

- 2.1 Upon confirmation by the Company Secretary, the Chairman declared that a quorum was present, and the EGM was duly convened at 10:00 a.m.

3.0 NOTICE

- 3.1 Dato’ Dr Haji Sohaimi declared that the notice convening the EGM which has been sent and circulated to all members within the prescribed period, be taken as read.

4.0 ADMINISTRATIVE MATTERS

- 4.1 The Chairman introduced the Directors, Company Secretary and Group Financial Controller on the head table, and drew attention to some housekeeping matters and poll voting, which would be conducted after completion of deliberations of all agenda items for two (2) ordinary resolutions in accordance with Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 4.2 The Members were informed that Aldpro Corporate Services Sdn Bhd was appointed as the Poll Administrator to conduct the polling process, whilst CSC Securities Services Sdn Bhd was appointed

as the Scrutineers to verify the poll results.

5.0 ORDINARY RESOLUTION 1

PROPOSED SUBSCRIPTION OF ORDINARY SHARES AND/OR REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN NEXTGREEN IOI PULP SDN BHD ("NIP"), A 55%-OWNED SUBSIDIARY OF NGGB, OF UP TO RM119,625,000 BY NGGB FOR THE PROPOSED JOINT VENTURE BETWEEN NGGB, NIP, IOI CORPORATION BERHAD, HONG KONG PAPER SOURCES CO., LIMITED, XIAMEN C&D PAPER & PULP GROUP CO LIMITED AND NEUWHITE PAPER PULP SDN BHD ("NEUWHITE"), A 75%-OWNED SUBSIDIARY OF NIP, FOR THE PROPOSED DEVELOPMENT OF A PULP PRODUCTION FACILITY ("PROPOSED JOINT VENTURE");

- 5.1 The Chairman informed that Ordinary Resolution 1 was to seek shareholders' approval for the proposed subscription of ordinary shares and/or redeemable convertible preference shares in NIP, a 55%-owned subsidiary of NGGB, of up to RM119,625,000 by NGGB for the proposed joint venture between NGGB, NIP, IOI Corporation Berhad, Hong Kong Paper Sources Co., Limited, Xiamen C&D Paper & Pulp Group Co Limited and NeuWhite, a 75%-owned subsidiary of NIP, for the proposed development of a Pulp Production Facility.

6.0 ORDINARY RESOLUTION 2

PROPOSED DISPOSAL OF TWO (2) PARCELS OF LEASEHOLD INDUSTRIAL LAND HELD UNDER H.S.(D) 5589, PT 7436 AND H.S.(D) 5630, PT 7461, MUKIM OF LEPAR, DISTRICT OF PEKAN, PAHANG BY ULTIMATE IVORY SDN BHD ("ULTIMATE IVORY"), A WHOLLY-OWNED SUBSIDIARY OF NGGB, TO NEUWHITE FOR AN AGGREGATE TOTAL DISPOSAL CONSIDERATION OF RM70,400,277.77 TO BE SATISFIED FULLY IN CASH ("PROPOSED LAND DISPOSALS")

- 6.1 The Chairman informed that Ordinary Resolution 2 was to seek shareholders' approval for the proposed disposal of two (2) parcels of leasehold industrial land held under H.S.(D) 5589, PT 7436 and H.S.(D) 5630, PT 7461, Mukim of Lepar, District of Pekan, Pahang by Ultimate Ivory, a wholly-owned subsidiary of NGGB, to NeuWhite for an aggregate total disposal consideration of RM70,400,277.77 to be satisfied fully in cash.
- 6.2 The Chairman thereafter welcomed questions from the floor in respect of the Proposed Joint Venture and Proposed Land Disposals.

Questions and Answers

1) Question:

The principal adviser was invited to brief and summarize the Proposed Joint Venture (JV)?

Answer:

Affin Hwang Investment Bank Berhad, the principal adviser briefed that the Proposed JV involving the Company and IOI Paper Pulp Sdn. Bhd. ("IOI Paper"), a wholly-owned subsidiary of IOI Corporation Berhad ("IOI") forming Nextgreen IOI Pulp Sdn. Bhd. ("NIP"), a 55%-owned subsidiary of the Company, which is a JV company. The Proposed JV entail that these parties invest in another JV company, NeuWhite Paper Pulp Sdn. Bhd. ("NeuWhite"), a 75%-owned subsidiary of NIP, together with Xiamen C&D Paper & Pulp Group Co. Limited ("Xiamen C&D"). Under the proposed structure, the parties will share the responsibilities and contribute to the JV both financially and in terms of the off-take arrangement with Xiamen C&D.

The Proposed JV is expected to be completed by June 2028, with the operations of the Pulp Production Facility will commence thereafter. The Pulp Production Facility will produce with Xiamen C&D acting as the off-taker, to ensure certainty of demand. While part of the arrangement involved the disposal of land by the Company, as the JV requires land for construction. The disposal

consideration is based on an independent property valuation report.

The proposal also includes a strategic plan to expand the existing EFB-based paper pulp mill through strategic alliances. The arrangement is intended to collaborate with strong partners in order to grow the relevant business segment, while generating synergistic benefits by leveraging the expertise, contractual relationships, and strengths of the various parties involved in the JV arrangements.

The raw material, EFB, will be sourced from mills in Pahang and Johor, ensuring an abundant supply and reducing supply chain risks as well as logistical arrangements are also designed to improve efficiency.

The Proposed JV represents a significant large capital investment and the structure allows the capital expenditure to be shared among the parties, providing a strategic advantage. Strong partners, including Xiamen C&D and Hong Kong Paper Sources Co., Limited, are expected to support the off-take and growth of the business.

As with any business venture or JV, there are inherent counterparty risks. The risks identified included obligations under shareholders' agreement and potential dependency on the same customers. In addition, the circular highlighted project delivery risks, including the possibility of delays in executing a large project. The principal adviser emphasised that these risks would need to be carefully managed and coordinated to ensure successful implementation of the JV.

The principal adviser also summarized that proposals regarding share capital and issuance of new shares, as it will be reflected in the pro forma details in the circular. The transaction is expected to result in a slight increase in gearing of funding at NIP level, from 0.16 to 0.26, amounting to RM119.63 million, which is considered manageable.

Earnings per share may experience a temporary decrease due to financing costs and other costs. However, from a business perspective, the Proposed JV is expected to contribute positively once operations commence, with potential enhancement to the company's performance over time. Thus, shareholders' approval is required for the company to proceed, and certain procedural approvals, including land disposal approvals, are also necessary to facilitate the project.

In terms of conditionality, the two proposals are interdependent, with the land disposal proposals being conditional on each other as both parcels of land are required to be made available for the project. There is no interest among the directors or shareholders of the Company in this proposal, as the arrangement involves third parties. In terms of the directors' statement and recommendation, the directors provided a detailed evaluation of the Proposed JV and raised questions to clarify certain aspects of the proposal, including points where further explanation was required to ensure the assessment was fair and comprehensive.

2) **Question:**

Why is the proposal structured as a preference shares instead of bonds, which could be offset?

Referring to page 27 of the circular, the profit attributable to the owners of the Company based on 2024's results is RM23 million, but it decreases to RM20 million after the proposals. Does this represent a temporary pro forma impact, and could the principal adviser or management provide an overview of the project's future prospects?

Answer:

The principal adviser clarified that the reduction in profit from RM23 million to RM20 million is purely a pro forma effect arising from the current transaction structure. The impact is expected to be temporary, as the project is still at an early stage and initial performance may be subdued.

Over the longer term, once the project becomes operational, earnings are anticipated to improve and the JV is expected to contribute positively to the Group. Although specific financial projections were not disclosed, the presence of off-take arrangements provides a level of income visibility and supports the project's viability.

In terms of funding structure, it was also noted that JV are typically financed via an equity component, which in this case is partly structured through preference shares.

3) **Question:**

Could the Company provide the expected internal rate of return for the project? Given that the return should exceed the targeted hurdle rate, this would justify proceeding with the project. Also, shareholders would like to understand the basis of the project's feasibility, particularly in the current market environment.

Answer:

The principal adviser explained that extensive technical and commercial studies have been undertaken to evaluate the project's feasibility. In terms of demand, the Company is confident of strong market uptake once production commences.

The management further explained the first plant of the Company, with a production capacity of 10,000 metric tonnes per annum, which was established as a concept plant and has been in operation for the past three years. Its performance has been closely monitored and progressively improved over time. The validation was provided by Xiamen C&D, which conducted a site visit and subsequently appointed CRRIC, a leading consultancy firm in mainland China specialising in the pulp and paper industry. CRRIC, which has been involved in the design of a significant majority of pulp mills in China, carried out a comprehensive feasibility study. This included a detailed 192-page report covering technical design, process flow, and market analysis, and assessed the scalability of the plant from 10,000 metric tonnes to 150,000 metric tonnes per annum.

The findings of the study confirmed both the technical and financial viability of the project, as well as its potential to generate attractive returns upon scaling up. The results were presented to key stakeholders, including IOI, Xiamen C&D, and the Company, forming the basis for the JV in principle.

In addition, Xiamen C&D's participation as a 25% JV partner and 100% off-taker underscores its confidence in the project's commercial prospects. While Xiamen C&D initially requested a 40% stake, IOI and the Company approved only a 25% participation, given that the project is based in Malaysia. The participation of Xiamen C&D not only reflects strong endorsement but also provides assurance of demand, thereby enhancing the overall viability of the JV.

4) **Question:**

The project is expected to be completed in June 2028. What is the anticipated gestation period of the project, and how long will it take to reach break-even, including full operational cost coverage, once commencement?

Answer:

The Management confirmed that the project is targeted for completion by June 2028. Drawing from past experience, the initial concept plant required a longer period to achieve operational stability as it represented the Company's first implementation.

Leveraging the knowledge and operational improvements gained from that experience, the Company expects the new plant to achieve operational readiness within approximately six months, or potentially even sooner. With the added expertise and involvement of Xiamen C&D, the Management is confident that the ramp-up period will be more efficient, enabling the plant to reach

stable operations in less than six months after commissioning.

5) **Question:**

What is the cost of acquiring the two parcels of land required for the project? It was noted that the current cost is RM70 million; what was the original purchase price referred to in Ordinary Resolution 2?

Answer:

The initial acquisition cost of the land was relatively low, as the purchase price paid to the State was minimal. However, the total cost has increased to RM70 million due to additional expenses required for land improvement works, including levelling and site preparation for construction. It was also noted that the land is swampy in nature, which may prolong the preparatory period.

6) **Question:**

Have any buildings been constructed or developments carried out on the two parcels of land?

Answer:

The Management responded that no buildings have been constructed to date. However, preparatory works have commenced on both parcels, including land levelling, which is nearing completion. The site is expected to be handed over to NeuWhite to proceed with the necessary soil investigations, of which approximately 70% has been completed.

The building design is targeted to be finalised by the end of the month, with the tender for construction works expected to be called in the following month. In addition, NeuWhite has begun procuring key equipment, with confirmed awards totalling approximately RM300 million.

7) **Question:**

Why doesn't the Company develop the land itself instead of selling it?

Answer:

The Company is selling the land to the partnership that will co-develop the project. Partnering with IOI ensures a reliable, long-term supply of raw materials, which is essential for the project's success. Securing both raw material supply and potential off-takers is a key strategic consideration.

Xiamen C&D, one of the China's largest pulp importers, produces approximately 16 million metric tonnes of paper and pulp annually, whereas the Company currently produces only 150,000 metric tonnes, representing less than 1% of C&D's yearly demand. By involving a major player like Xiamen C&D in the project, the Company can demonstrate both the economic viability and financial soundness of the initiative, showing that the business model is effective and scalable.

8) **Question:**

However, most people rely on mobile devices rather than paper?

Answer:

Despite the shift to digital, global paper and pulp demand keeps rising. Growth is driven by hygiene products like tissues and kitchen rolls, and by packaging needs fueled by booming e-commerce. Worldwide demand is around 445 million metric tonnes annually and it continues to grow, proving that paper remains essential even in a digital world.

9) **Question:**

Referring to Ordinary Resolution 1, are shareholders required to provide any additional funding?

Answer:

No. Shareholders are not required to provide additional funding. The Company will fund Ordinary Resolution 1 internally, using proceeds from the land sale and, if needed, other internal or external financing.

10) **Question:**

On this new JV, with IOI as the raw material supporter, will the Company obtains raw materials only from IOI, or are there other suppliers as the plant expands?

Answer:

The Company is not solely dependent on IOI for raw materials. In Malaysia, there are 435 palm oil mills, and IOI is one of them. IOI is partnering with the Company not only as a supplier but also in view of the technology solution, which enables the conversion of biomass from the oil palm industry into value-added products, thereby providing a solution for waste management.

The Company will source raw materials from IOI nationwide, while continuing to work with other suppliers, including FGV, one of the Company's shareholders as well as Yuwang Plantation Sdn Bhd and several nearby mills.

The Pekan plant was strategically located near 24 palm oil mills to ensure efficient access to raw materials, lower transportation costs, and reduce overall operational expenses.

11) **Question:**

Regarding the off-taker arrangement, since Xiamen C&D will be purchasing all products produced by the factory, what is the selling price? Will the price be locked in, or could it fluctuate depending on factors such as raw material costs?

Answer:

The off-take pricing from Ximen C&D is based on the pulp industry market, which operates as a global commodity market. The price is influenced by market conditions, including trading in China, where put-and-call prices, daily trade prices, and monthly trade prices exist. Typically, both spot prices and monthly trade prices are considered, with prices reviewed and updated monthly. Therefore, the selling price is not fixed but is determined on a monthly basis according to market conditions.

12) **Question:**

According to the news, the Company is expected to reach RM300 million in revenue by 2026 and around RM800 million by 2030. Could it potentially be higher, and what is the minimum revenue the factory can generate?

Answer:

Revenue and profit potential are expected to exceed these projections over time. The Company's growth strategy extends beyond a single plant, with plans for expansion from 2026 onwards to include additional plants and business activities. Higher product sales and the exploration of new revenue streams are also anticipated, which would further strengthen the Company's bottom line.

13) **Question:**

Referring back to the off-taker arrangement, since this is a commodity product and prices will fluctuate, will Xiamen C&D, as the sole buyer and JV shareholder, receive any special discount, or will the price remain aligned with the market rate?

Answer:

The off-take arrangement with Xiamen C&D is currently in the final stage of the agreement. Under the proposed terms, Xiamen C&D will charge only RM5 to RM7 per tonne, which is approximately 1% to 1.2% as a service charge. This rate is fixed regardless of monthly market price fluctuations and is highly favorable compared to other off-takers, such as Marubeni in Japan, which typically charge 2% to 3%. Such a competitive rate from Xiamen C&D is not available from other market participants.

14) **Question:**

In relation to Xiamen C&D as a stock market trader, does the quoted commodity price represent the price at which they are selling their shares? Additionally, since Xiamen C&D is also a consumer of paper, is the price obtained from them based on the full international market rate?

Answer:

Yes, correct.

- 6.2 There being no question raised by the Members, the Chairman closed the Q&A session and proceeded with the voting session.

7.0 POLLING VOTING

- 7.1 The Chairman invited the shareholders to vote on the resolutions tabled earlier and the Meeting commenced the poll voting process.

- 7.2 After 5 minutes, the Chairman declared the voting session closed and informed that the Meeting was adjourned for 10 minutes for the Independent Scrutineer to verify the results of the votes.

8.0 DECLARATION OF RESULTS

- 8.1 At 11.11 a.m., the Chairman called the Meeting to order for the declaration of the poll results, and the results were as follows:

Resolutions	Voted For		Voted Against		Results
	No of Units	%	No of Units	%	
Ordinary Resolution 1	363,310,012	100.0000	0	0.0000	Carried
Ordinary Resolution 2	363,309,911	99.9999	101	0.0001	Carried

Based on the above poll results, the Chairman declared that all the resolutions tabled at the EGM were carried as follows:

ORDINARY RESOLUTION 1 - PROPOSED SUBSCRIPTION OF ORDINARY SHARES AND/OR REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN NEXTGREEN IOI PULP SDN BHD ("NIP"), A 55%-OWNED SUBSIDIARY OF NGGB, OF UP TO RM119,625,000 BY NGGB FOR THE PROPOSED JOINT VENTURE BETWEEN NGGB, NIP, IOI CORPORATION BERHAD, HONG KONG PAPER SOURCES CO., LIMITED, XIAMEN C&D PAPER & PULP GROUP CO LIMITED AND NEUWHITE PAPER PULP SDN BHD ("NEUWHITE"), A 75%-OWNED SUBSIDIARY OF NIP, FOR THE PROPOSED DEVELOPMENT OF A PULP PRODUCTION FACILITY ("PROPOSED JOINT VENTURE")

"THAT the proposed subscription of ordinary shares and/or redeemable convertible preference shares in NIP, a 55%-owned subsidiary of NGGB, of up to RM119,625,000 by NGGB for the proposed joint venture between NGGB, NIP, IOI Corporation Berhad, Hong Kong Paper Sources Co., Limited, Xiamen C&D Paper & Pulp Group Co Limited and NeuWhite, a 75%-owned subsidiary of NIP, for the proposed development of a pulp production facility, be and is hereby approved."

ORDINARY RESOLUTION 2 - PROPOSED DISPOSAL OF TWO (2) PARCELS OF LEASEHOLD INDUSTRIAL LAND HELD UNDER H.S.(D) 5589, PT 7436 AND H.S.(D) 5630, PT 7461, MUKIM OF LEPAR, DISTRICT OF PEKAN, PAHANG BY ULTIMATE IVORY SDN BHD ("ULTIMATE IVORY"), A WHOLLY-OWNED SUBSIDIARY OF NGGB, TO NEUWHITE FOR AN AGGREGATE TOTAL DISPOSAL CONSIDERATION OF RM70,400,277.77 TO BE SATISFIED FULLY IN CASH ("PROPOSED LAND DISPOSALS")

"THAT the proposed disposal of two (2) parcels of leasehold industrial land held under H.S.(D) 5589, PT 7436 and H.S.(D) 5630, PT 7461, Mukim of Lepar, District of Pekan, Pahang by Ultimate Ivory, a wholly-owned subsidiary of NGGB, to NeuWhite for an aggregate total disposal consideration of RM70,400,277.77 to be satisfied fully in cash, be and is hereby approved."

9.0 CLOSURE

- 9.1 There being no other business to be discussed, the EGM was closed at 11.13 a.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record of
the proceedings held thereat**

-SIGNED-

Chairman of the Meeting